The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

General Chiang's Release---Future Political Developments

ARTICLES IN THIS ISSUE

Daily Record of Stirring Events in China in 1936

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Britain Fears Japan-German Pact—Will Re-Fortify Hongkong

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Situation in the South Was Little Affected by the Kidnapping of General Chiang Kai-shek (*By the Review's South China Correspondent*)

Foochow Students Pledge Loyal Support to Chiang and Nanking (*By the Review's Foochow Correspondent*)

Chiang Kai-shek's Release Brightens Hankow's Christmas (*By the Review's Hankow Correspondent*)

The Year 1937 . . . . . By C. Y. W. Meng

My New Year Resolution . . . . . By T. S. Young

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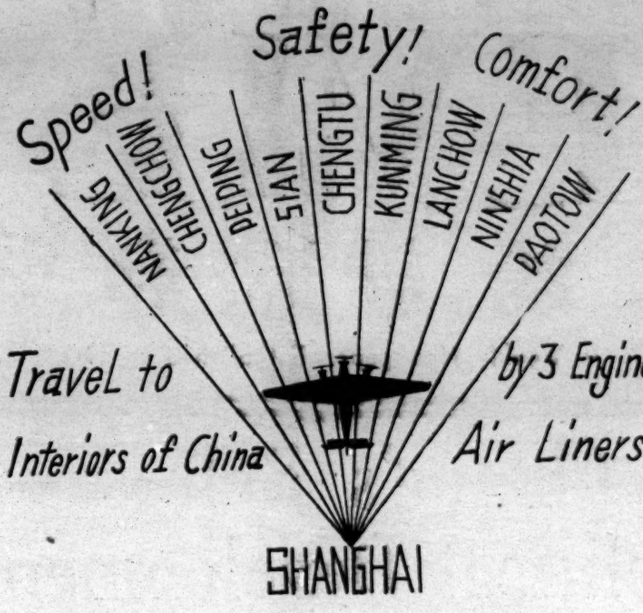

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Contents

Editorial Paragraphs

Britain Fears Japan-German Pact Will Re-Fortify Hongkong 145
A Plea for Cordiality Between the Press of Japan and China..... 146
The Sian Episode and Possible Future Developments—First Complete Account 147

Special Articles

China Rejoices at Safe Return of Gen. Chiang; Gen. Chang "Awaits Punishment" at Nanking 153
Daily Record of Stirring Events in China in 1936 156
The Year 1937 .....By C. Y. W. Meng 160
My New Year Resolution.....By T. S. Young 162
Chiang Kai-shek's Release Brightens Hankow's Christmas 163
Seventieth Session of Japanese Diet Convened—Fighting Services of Island Empire to Get Almost Billion and-a-Half Yen..... 164
Situation in the South Was Little Affected by the Kidnapping of General Chiang Kai-shek..... 165
Foochow Students Pledge Loyal Support to Chiang and Nanking 169
Who's Who in China 173
Men and Events 174
New Books of Interest in the Far East..... 176

CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX TO PERIODICALS," COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES.

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BRITAIN FEARS JAPAN-GERMAN PACT WILL RE-FORTIFY HONGKONG

GREAT Britain's response to the new Japanese-German military alliance, regarded in London as a mask for the territorial expansionist ambitions of the two powers behind an anti-communist crusade, was a decision to speed up the re-fortification of Hongkong.

The information was contained in a dispatch by David Darrah, London correspondent, published in *The Chicago Tribune* on Nov. 27. He stated that displeasure at the Japanese-German aggreement was discernible generally in British official circles and in the press and the general opinion seemed to be that the pact was more menacing to the British Empire and its interests—especially in view of Italy's decision to join—than for Soviet Russia, against whom the pact was ostensibly aimed.

There was special displeasure in the British capital due to the fact that the German Ambassador to London, Joachim von Ribbentrop, had been selected by Hitler to sign the pact on behalf of the German Government. The British authorities thought that Ambassador Ribbentrop's understanding of the British viewpoint might have been sufficient to cause him to decline to sign the pact.

The theory that the German pact was more dangerous to the British Empire than to the Soviet Union was based on the fact that the immensity of Russia constitutes that country's best protection while colonial powers like Britain, Netherlands, and France have territorial extremities which could be easily encroached upon. London thinks that Japan would experience great difficulty in attacking Siberia because of the excellent Soviet air force. As for Germany, it would be necessary for that country to cross both Poland and Czecho-Slovakia in order in invade the U. S. S. R.

Britain's first reaction, in view of the foregoing considerations, was to decide upon the immediate re-fortification of the Colony of Hong-

kong, acquired from China as one of the fruits of the so-called Opium War of 1840-1842.

The first definite indication of Britain's decision to re-fortify Hongkong, or resume work on fortifications suspended following the Washington Arms Conference in 1922, was when Sir Andrew Caldecott, Kt., C. M. G., C. B. E., Governor of the Colony, requested the legislative assembly to "contribute" a military appropriation amounting to $5,378,660 annually for three years for use in developing the defenses of the island. The appropriation, which figured out at $5.50 apiece for every man, woman and child in the colony annually, created a considerable stir because it was the first time the local residents had been called upon to contribute toward local defense. As a matter of fact the "contribution" of $5,378,660 didn't tell the whole story because the current budget also called for an additional extraordinary appropriation of $1,642,032 for public works, also of a military character. As pointed out by Hon. Lo Man-kam, unofficial Chinese member of the legislature, the military appropriation will leave a deficit of $3,498,910 in the budget for the current year whch amounts to $32,259,160. The seriousness of the situation was pointed out by the *South China Morning Post*, leading Hongkong paper, showing that the military appropriation amounted to 17 percent of the Colony's revenues. But it actually constituted a small portion of the real military expenditure which is borne by the home British Government.

While the name of Hongkong's hypothetical enemy is never mentioned, officially, it is on everybody's lips. Recently there was a big stir when the Britsh police arrested three Japanese allegedly engaged in taking pictures of the harbor from the window of a room in a waterfront seamen's home.

It was the threat of Japanese military expansion, first occasioned by the announcement of Japan's so-called "southward expansion policy," but more recently by the Japan-German military alliance which was responsible for the hurried building of military roads, construction of foundations for concealed batteries, strengthening of foundations and roads at the top of the famous "peak," development of airfields, air-defense apparatus and other works of a military nature designed to block or at least slow up a Japanese attack on Britain's "first line of defense" on the coast of Asia.

The fact that Hongkong, like Tsingtao, is vulnerable on the land side, has largely been responsible for British moves to consolidate their relations with the authorities of South China—which explains the reason for the recent trip to Canton of Sir Andrew Caldecott, Governor of Hongkong—an event which was carefully noted in the press of Imperial Japan.

A PLEA FOR CORDIALITY BETWEEN THE PRESS OF JAPAN AND CHINA

THE *Oriental Economist* is a serious monthly journal published in Tokyo with the backing of the leading financial institutions of the Island Empire. On the staff of said journal is Tanzan Ishibashi, who has recently started a campaign for a better understanding between China and Japan, particularly as regards the newspapers. After addressing himself with that object in view to *Chugai Shogyo* (the leading commercial paper in Japan) he has returned to the subject with an editorial article in the November issue of *The Oriental Economist* entitled, "Press as Guardian of Peace." He recites the fact that on Oct. 3 a group of newspapers of Shanghai and Nanking, 23 in number, carried under their joint names a lengthy statement under the title "To All Our Nationals and to the Government and People of Japan." Later the "*Min Kuo Jih Pao*" and 21 other papers of Canton jointly presented in the form of a leading article a view similar in purport to the manifesto previously issued by the papers of Shanghai and Nanking. These two incidents were indifferently reported in Japan at the time in the press telegrams; in one particular instance the news was inconspicuously presented under the heading, "Chinese Impudence". The Chinese papers had expressed the hope that Japan would soften its attitude towards China and find lines along which the peoples of the two countries might truly cooperate, and concluded by calling upon the Japanese press to work together to the same end.

Mr. Ishibashi commented as follows:—

"What have the newspapers done in this direction? What good have they done? I deplore that it is necessary to say that the newspapers appear to me as if they were organs daily engaged in the work of, not promoting, but destroying peace among the nations of the world. In face of the worsening relations between Japan and China in late years, I have often wondered whether there were no means of establishing accord between the newspapers of the two countries; if the papers of China would cease to splash their pages with their anti-Japanese sentiment, and if the papers of Japan would rise above their disparagement of China. Should the papers of the two countries be happily brought to work on such a friendly basis, it seems very probable that the relations between the two countries would see a radical turn for the better. Therefore, when the newspapers of the central cities of China such as Shanghai, Nanking and Canton, addressed themselves to us in the manner mentioned above, it was an unexpected gesture to which our papers should have responded, and I truly hope, will eventually respond, in a spirit other than displayed at the time."

The Sian Episode and Possible Future Developments —First Complete Account

IT probably will be many weeks or even months before the complete story of recently developments at Sianfu, capital of Shensi Province and recently known as China's "secondary capital" becomes known to the outside world. As for the political development growing out of the Sian crisis, it is doubtful whether anyone, even the chief actors, realize as yet what is likely to happen.

Of primarly importance were the brief reports issued from Loyang, Central Government military headquarters in Honan, and from Tungkwan, strategic pass on the Lunghai Railway between Shensi and Honan on December 27, telling of the withdrawal of Central Government forces from Shensi Province, forces which had been rushed to that area by the Central Government immediately after the detention of General Chiang Kai-shek became known in Nanking. These reports issued through the official *Kuo Min* and *Central News* agencies at Nanking confirmed an earlier *Reuter* report from Nanking, dated December 25, telling of the release of General Chiang Kai-shek. The *Reuter* report contained the significant information that General Chiang's first action after his release was to order the cessation of hostilities—already suspended by the Government until Dec. 26—and the withdrawal of Government troops from Shensi."

Since political development in China are usually accompanied by troop movements, the decision of the Central Government to withdraw its troops from the region which has been controlled by Marshal Chang Hsueh-liang for many months was regarded as significant.

Of most sensational interest was the arrival in Nanking of the "Young Marshal" Chang Hsueh-liang in an airplane only a few hours following the arrival of General Chiang Kai-shek. Immediately after the "Young Marshal's" arrival he proceeded with T. V. Soong, head of the Bank of China and brother-in-law of General Chiang Kai-shek, to Mr. Soong's residence, where he remained at the time these paragraphs were written. Immediately after his arrival Chang Hsueh-liang sent a "letter of repentance" to General Chiang Kai-shek, in which the "Young Marshal" declared that he was by nature "rude and uncouth and had committed the great crimes of violating discipline and disrespect to the Generalissmo." He said, "Blushing with shame I have followed you to the capital for the appropriate punishment I deserve, so as to vindicate discipline and as a warning for the future. Whatever is best for the State I will not evade, even if I have to die 10,000 deaths."

Simultaneously General Chiang Kai-shek issued a brief statement, in which he thanked the officials of the Government and the people of Nanking who had turned out by the tens of thousands to greet him for their interest in his welfare. General Chiang Kai-shek declared that he had assumed personal responsibility for recent developments. General Chiang said, "Due to my lack of virtue and defects in my training of subordinates an unprecedented revolt broke out. I shall assume personal responsibility for this toward the Central authorities and my compatriots throughout the country."

The official news services at Nanking then released to the press a lengthy "discourse" which, it was declared, General Chiang Kai-shek had delivered to the rebel leaders, Chang Hsueh-liang and Yang Hu-cheng, immediately following his release in Sian. In this statement General Chiang declared that the Sian *coup-de-etat* had a direct bearing on the continuity of Chinese history, which has extended over 5,000 years, and also had an equally direct bearing on the continued existence or extinction of the Republic of China and the morale of the Chinese nation!

General Chiang Kai-shek's statement disclosed the interesting information that during the course of his captivity the Generalissmo's associates in the military department and the Central Government had supplied to Marshal Chang Hsueh-liang copies of the Generalissmo's private diary for the past year, consisting of more than 60,000 words, and also had supplied the "Young Marshal" with all of General Chiang's written statements dealing with internal and external politics, military, financial and educational affairs totalling no less than 150,000 words. The object of this procedure was to show the "Young Marshal" and his associates that General Chiang Kai-shek had always acted in an unselfish and patriotic manner in both his official and private activities.

According to the *Kuo Min* statement, General Chiang declared, "If I am in the least selfish and neglect the interests of the State and wishes of the people, than anyone can regard me as a national traitor and anybody may kill me . . . If in word or action I am in the least insincere, and if I do not give due consideration to the interests of the Revolution and party principles, then anyone of my subordinates may regard me as an enemy and kill me at anytime."

General Chiang declared that since his personal diary and correspondence were in the "Young Marshal's" hands, they were at liberty to shoot him, if they could find a single sentence or word which he had ever uttered, that was detrimental to the Revolution. General Chiang's statement

then referred to the necessity of maintaining discipline in the Army and declared, "Now, as I understand that you were led astray by the propaganda of reactionary elements, and mistook my sincerity for malice, consequently you were responsible for starting this extraordinary rebellion .... However, immediately after the outbreak, you recognized that your action was hasty and detrimental to the welfare of the State and expressed your profound regret .... You, therefore, understand that I not only had no malice against you, but also loved you .... You have now awakened to your mistakes and are ready to send me back to the capital. Since you awakened to your mistakes, and thereby prevented the prolongation and spirit of the revolt, the Gentral authorities will, no doubt, treat you with magnaminity .... You should inform your subordinates of the circumstances under which you were led astray by the propaganda of reactionaries and precipitated the present revolt, in order that they not be alarmed by the measures adopted by the Central authorities for their disposal .... We must realize that we must preserve our personal integrity, so that a firm foundation may be laid for the nation .... We may sacrifice our lives, but the laws and discipline of the State can't be compromised .... So long as I live, I dare not evade my responsibility toward the Central Government and the State .... You have repeatedly requested me to affix my signature to statements and manifestoes, and to issue orders, but I have consistently refused to do so, because my personal integrity is an important thing, while my life is of no consequence."

General Chiang then made the following significant declaration, "I will not only leave my words and actions to posterity, but also present you with facts, so that you may also realize that character is more important than anything else. I, therefore, repeatedly said to you that, if I affixed my signature to your demands at Sian, it would be trantamount to the extinction of the country, because I represented the integrity of the 400,000,000 people of the Republic of China. If I submitted to the coercion of my subordinates, then my personal integrity would fall to pieces and with it that of the Chinese nation. Since I have always told the people that the only path to national salvation lies in the observances of the virtues of propriety, righteousness, honesty, honor, responsibility and discipline, I will spare no sacrifice for the preservation of my personal integrity and the vindication of justice. I will never act contrary to my words, as this would confuse my subordinates and the people and lead the nation to extinction."

In conclusion General Chiang said, "Now that you have expressed repentance, I will request the Central authorities to adopt suitable masures for the rehabilitation of the situation in accordance with the spirit of preserving the national strength and in order to overcome the national emergency .... I have personally been instructed by the late leader, Dr. Sun Yat-sen, to treat people with leniency and benevolence and to forgive them without hesitation. Your speedy repentance shows that you are still paying regard to the welfare of the State. You should, therefore, immediately obey the orders of the Central authorities, and carry out the decisions of the Central Government, and cooperate in the salvation of the nation. Only thus can you convert danger into security."

What action the National Government intends to take with respect to "Young Marshal" and his chief subordinate was not known at the time these paragraphs were written, but there was undoubted significance in the fact that Chang Hsueh-liang had come to Nanking "in order to accept punishment."

The connected account of what actually happened in Sianfu has not been disclosed, despite the publication in the *North China Daily News* on Monday, December 28, of what purported to be the "inside story."

The report in the British paper admitted that General Chiang Kai-shek's second arrival in Sian coincided with considerable excitement regarding the recently concluded Japan-German "anti-communist" pact and it was felt that China was being subjected to further external pressure. As the campaign against the Chinese communists in Shensi was not popular, the argument that Chinese troops should not be used against Chinese received added support, "especially as the reds had, somehow or other, managed to communicate their desire to come to terms with the Government. It was claimed that Marshal Chang Hsueh-liang was commissioned to make the Generalissimo aware of the extent of local feeling, "but local conditions precipitated action which culminated in the visit to Huachingchin where the Generalissimo was staying .... Fighting was not intended .... but unfortunately a policeman .... opened fire and General Chiang Kai-shek's bodyguards became involved with Marshal Chang Hsueh-liang's troops .... Shots were exchanged and casualties occured on both sides."

The account then stated that the Generalissimo, highly indignant, agreed to proceed to Sian where he was comfortably lodged but where he refused steadfastly for several days to make any response to Gen. Chang Hsueh-liang's attempts to lay before him the arguments "which the situation was felt to demand." It was alleged that Nanking airbombers had started bombing the railway between Loyang and Sian but a heavy snowstorm prevented them from making the proposed attack on Sian. In meantime the Generalissimo's communication to Madame Chiang had informed her and Nanking officialdom of the real

situation. As a result of the visits of T. V. Soong to Sian and the courage and energy of Madame Chiang the objections of Nanking officialdom were "worn down" and orders given not to use force against Sian. "When Madame Chiang and T. V. Soong discussed the situation with Marshal Chang Hsueh-liang, they discovered that he repudiated any personal motives and declared he was taking the same line he followed in 1930 when he used his troops to support General Chiang Kai-shek and the Central Government against the so-called "Northern Coalition" which included Gen. Yen Hsi-shen, Marshal Feng Yu-hsiang and Wang Ching-wei . . . Saddened by the waste of Chinese money, Chinese lives and Chinese property in civil wars, he and those with him refused to regard the perpetual pursuit of so-called bandits (reds) who were still Chinese 'despite their views,' when one-sixth of China's territory had been allowed to fall into foreign hands . . . They alluded bitterly to the fact that the first sight vouchsafed to Shensi of the airplanes enthusiastically subscribed for by the people of China was in the guise of messengers of death sent against Chinese . . . The world would be amazed at the sight of Chinese fighting Chinese when the danger of foreign aggression was so great."

In conclusion it was stated that Marshal Chang Hsueh-liang was convinced that his argument had not been in vain although General Chiang Kai-shek made it perfectly clear that the will of the Central Government in matter of national policy must prevail . . . Assurance having been given to all chiefly concerned the discussions eventually terminated in arrangements for the flight to Loyang and subsequently to Nanking . . . Simultaneously, Government troops were ordered withdrawn and . . . Marshal Chang Hsueh-liang, satisfied with the reception of his views, intimated his readiness to proceed to Nanking and face a full inquiry into his actions."

A PEIPING VERSION

A more complete report, indicating possible political readjustments resulting from the Sian coup was supplied to foreign diplomatic circles in Peiping by several individuals, who were in Sianfu throughout the stirring period of the revolt which began on December 12 and was concluded when General Chiang Kai-shek was released on Dec. 25.

Readers of The (Review) who have followed reports from our correspondent at Sianfu in recent weeks were already aware of the background development which led up to the crisis. Publication of these reports, particularly the following more detailed account, received from authoritative sources in Peiping, obviously does not carry The Review's indorsement of the accuracy of the accounts. Owing to the seriousness of the issued involved it was obvious that misunderstandings should prevail and misinterpretations be placed on the actions of individuals and groups; hence the widest publication of all phases of the crisis should be encouraged. The following report, in somewhat different form, was submitted to certain diplomatic circles in Peiping on Dec. 23, two days before the Generalissimo's release at Sianfu:

"It was known for some weeks that a serious crisis was approaching in Sianfu. For many months the relations of the "Young Marshal" and officers of the Tungpei (Northeastern or former Manchurian troops) and the military authorities at Nanking had not been satisfactory. General Chiang Kai-shek had become increasingly impatient at the slowness of the anti-Red campaign, while the Tungpei officers had grown increasingly restive at Nanking's delay in organizing anti-Japanese resistance in Inner Mongolia and North China. The Northeasterners complained that their salaries were not being paid, and that munitions and food supplies from the Central Government were insufficient. In other words, every time Nanking demanded action against the Reds, Chang Hsueh-liang's forces came back with a demand for action against the Japanese in Inner-Mongolia and North China. The Tungpei leaders thought that Nanking was evasive on the fundamental issue of opposing Japanese aggression. It was alleged that this misunderstanding was further aggravated when General Chiang Kai-shek delivered an address upon his arrival in Sianfu in October, in the course of which he allegedly declared that China had two enemies, external and internal, and, "Anyone who spoke of fighting the external enemy a thousand li away, but didn't want to fight the internal enemy right before him, was a traitor to the State."

It was at this point that the issue became more or less clarified with the Tungpei authorities demanding that a practical proposal for an "anti-Japanese United Front" should be adopted. They claimed that the Reds had offered to put their army completely under General Chiang's command, and allegedly had offered to place their Soviet-controlled areas under the control of the Government, if this could be accompanied by a reorganization of the National Government at Nanking in the direction of a more democratic set-up and the adoption of a strong anti-Japanese policy. In short, the demand was that "Chinese should cease killing Chinese, while the nation was being gradually dismembered by Japan."

The news of the signing of the German-Japanese Alliance on November 25 also produced serious repercussion in Sianfu, because rumors were circulated, allegedly by Red agents, that the National Government at Nanking had been secretly apprised beforehand by both the German and Japanese Ambassadors and also, later, by the Italians of the impending past, and China was strongly pressed to associate herself with them.

Exaggerated reports of developments in other parts of China were circulated in Sianfu, these reports including the news of the arrest of prominent leaders of the National Salvation Movement, suppression of publications at Shanghai, developments in connection with the strikes of Chinese laborers in Japanese cotton mills at Shanghai and Tsingtao, the Tsingtao situation culminating in Japanese naval occupation of that port. All of these developments created intense excitement in Sian, which was further aggravated by the arrival of squadrons of Nanking bombers at the Sian airfield.

The dispatch into Kansu of General Chiang Kai-shek's crack First Army, under the command of General Hu Chung-nan also increased uneasiness. Furthermore, there were reports that 10 more Nanking divisions were enroute to the Northwest in order to conduct the final extermination drive against the Reds. Among the more incredible rumors

circulated was one to the effect that Nanking was planning to "liquidate" Fu Tso-ye, head of the Suiyuan government, who has thus far borne the brunt of anti-Japanese resistance on that front.

This in brief was the situation which prevailed in Sianfu upon the arrival of General Chiang Kai-shek on his second visit to Sian early in December. Immediately following General Chiang Kai-shek's arrival, a meeting was called between the Generalissmo and various commanders of the Tungpei Army; but this meeting was not held, due to allegations that the Tungpei officers had prepared an ultimatum for war against Japan and the adoptio no fa so-called United Front program. In the meantime, General Chiang Kai-shek's so-called First Gendarmes, commanded by Chiang Hsiao-hsien, nephew of the Generalissmo, had arrived in Sian. Also it was alleged in Sian that some 2,000 armed "Pien Tung Tui" or plain clothes men likewise had arrived and taken up quarters in various parts of the city, but most of them near the so-called Sian Guest House, where officialdom usually resided, due to lack of other suitable living quarters in the city.

There was great uneasiness, which was further increased on December 9 by a demonstration of some 6,000 students, a considerable portion of them formerly enrolled at Manchurian universities, who had been kicked out of their schools and homes by the Japanese following the occupation of the Northeastern Provinces in 1931. The students conducted their usual parades, shouting anti-Japanese slogans. Finally the situation became so critical that Shao Li-tzu, former secretary to General Chiang Kai-shek and ex-editor of the *Shanghai Shun Pao* who is now Governor of Shensi, tried to disperse the crowd. He appeared before them personally, and commanded the students to go back to their books and leave the conduct of national affairs to the statesmen; but the students insisted on continuing their march to Lintung, located about 12 miles outside of Sianfu, where General Chiang Kai-shek had his headquarters. The students then made an aboutface and marched out through the North Gate, and started toward the Generalissmo's headquarters at Lintung.

The First Bloodshed

They had reached a bridge about one-third of the distance on the twelve-mile road to Lintung, when they were stopped by mounted machine guns manned by bodyguards and gendarmes. The students were warned that if they persisted they would be fired upon. There were the usual arguments with hot words and accusations on both sides. The students then attempted another advance, declaring that they had a right to petition the Generalissmo for resistance to Japan and cessation of civil war and "realization of the Will of Sun Yat-sen." As the students started to move, the gendarmes opened fire over their heads; but it was alleged that some of the shots were directed at the students and two were wounded, a boy and a girl, who happened to be children of officers in the Tungpei Army. The situation became so serious that Chang Hsueh-liang had to drive out personally and help disperse the crowd. He promised the students he would personally present their petition to the Generalissmo.

The excitement in Sianfu was further increased on the 10th and 11th by the circulation of rumors, allegedly based on reports from Nanking, that the National Government had been compelled to reach an understanding with the Japanese Ambassador, Kawagoe, for an anti-Red pact embracing the provinces of Hopei, Chahar and Suiyuan. Excitement and dissention was aggravated still further by reports of the Italian recognition of Manchukuo, which infuriated Chang Hsueh-liang and his followers. He claimed that he had given up the Manchurian provinces without fighting in 1931 at the orders of the Nanking Government in the hope that he could thereby avert the collapse of the National Government at Nanking. The "Young Marshal" is alleged to have declared, "This is the end of Fascism in China and everybody connected with it."

A meeting was called on the evening of December 11, at which commanders of the Tungpei Army and Yang Hu-cheng, commander of the Shensi Army, were present. Their decision for the *coup-de-etat* was swiftly taken, and immediately put into effect. Chang Hsueh-liang had in the meantime hurriedly brought his 105th Division to Sianfu, while Yang Hu-cheng had also brought up one division to the suburbs of the city. News of these troop movements naturally were known to the Generalissmo, and a rumor was spread on the evening of the 11th that General Chiang had ordered a special train prepared for his departure early in the morning of the 12th.

Operations outside of the city were entrusted to the bodyguard of the "Young Marshal"; operations within the walls were under the command of General Yang Hu-cheng, the "Young Marshal's" chief subordinate. Shortly after midnight activities began.

The Clash of Bodyguards

Chang Hsueh-liang's bodyguards arrived at Lintung a little before one o'clock and surrounded the hot springs resort. Gen. Chiang's bodyguard was taken by surprise, and part of them were disarmed. The remainder, alarmed by the noise, put up resistance and snipping and individual combat continued for about two hours; but by three o'clock all of the Generalissmo's bodyguards had surrendered. About fifty of the 500 guards were killed and some thirty of Chang Hsueh-liang's men also were killed. Chang Hsueh-liang's men were also killed. However, they were unable to discover the whereabouts of the Generalissmo; and, according to the report, they had about given up the search when one of General Chiang Kai-shek's bodyguards under torture confessed the hiding place of his chief, and took the Tungpei men directly to the spot and pointed out the Generalissmo, who had been concealed by his associates in a small cave beneath a large stone, which contained an inscription stating that it was once the tomb of Ch'in Shih Huang-ti, founder of the Ch'in Dynasty and builder of the Great Wall.

General Chiang Kai-shek was provided with warm clothing, escorted to a car and the party started toward Sianfu. About midway they met three other cars. When the Tungpei men demanded the password, they were fired upon; but after a short gun battle, General Chiang Kai-shek called from the car ordering them to cease firing. The occupants of the other cars then came forward, and in the forefront was Chiang Shiao-hsien, the nephew of the Generalissmo and commander of the First Gendarmes. It seems that the Generalissmo's nephew had heard of the *coup-de-etat* and had set out to warn his uncle at Lintung, but he was too late. As soon as the Tungpei men recognized the nephew, they stood him up at the side of the road and shot him. It was alleged that he had been responsible for the execution of a number of youthful members of the Northeastern People's Association, a political organization maintained by Chinese citizens expelled from Manchuria by the Japanese.

In the meantime General Yang Hu-cheng's regiment had acted swiftly within the walls of Sianfu. First they surrounded the Guest House, (Hsi King Choh Tai Su). There was little bloodshed in the surrounding and capturing of most of General Chiang Kai-shek's staff. Shao Yuan-chung, former head of the Central Publicity Bureau at Nanking, was badly injured by leaping from a second story window of the hotel. Also contrary to reports Ma Chih-chiang was not killed or nailed to the Sianfu gates, as reported in the Shanghai newspapers.

By dawn everything was quiet in Sianfu. After surveying their prisoners, it was found that three important men were

missing, Chen Cheng, Vice Minister of War, Ma Chih-cheng, Chief of Police, and Che Kuan-ching, Chief of the Political Training Department. The gates of the city were closed, and a house to house search instituted. General Chen Cheng was the last to be discovered. He was found hiding in the Sian Guest House. As the searchers entered his room, his servant was in the act of burning documents. It was alleged that these documents disclosed the intention to disarm the troops of both Chang Hsueh-liang and Yang Hu-cheng.

Manifesto to the Nation

On the morning of the 12th the "Young Marshal" called a meeting of the staff together with a number of General Chiang Kai-shek's staff, and the following Manifesto was issued to the country.

To: The Central Executive Committee of the National Government, President Lin Sen, all the Yuans and Ministries and Councils, various Pacification Commissioners, various Commanders-in-Chief, Governors of all Provinces, various National Salvation Associations, various Organizations, various Legal Bodies, various Newspapers, and to all Schools:

Ever since the loss of the Northeastern Provinces five years ago our national sovereignty has been destroyed more and more and our territory has dwindled away daily. We were first humiliated at the time of the Shanghai Truce, then by the Tangku Truce and the Ho-Umetsu Agreement. There is not a single citizen who does not feel pain in heart because of this. Recently there have been startling changes in the international situation, nations are intriguing between one another and using our nation and people as a sacrifice. When the East Suiyuan hostilities started, popular feeling reached the boiling point and the soldiers became indigennt. At this juncture, our central leader ought to encourage the military and civilians to start the whole nation's united war of national defense. But while the soldiers at the front who are protecting the national territories are bathing in blood in killing the enemy, the diplomatic authorities are still seeking compromises. Ever since the unjust imprisonment of the patriots in Shanghai took place, the whole world has been startled and the whole country has been angry and in pain. To love one's country is an offense! This makes one's hair stand on end. Generalissimo Chiang Kai-shek, being surrounded by a band of bad people, has forfeited the support of the masses. He is deeply guilty in harming the country. We, Chang Hsueh-liang and the others undersigned, advised him with tears, but were repeatedly chastised. The other day the students in Sian were staging their national salvation movement and the policemen were set to killing these patriotic children! How could anyone with a human conscience bear to do this? We, being his colleagues of many years' standing, could not bear to sit still and witness this, therefore we tendered our last advice to Marshal Chiang, while guaranteeing his safety, in order to stimulate his awakening.

The military and civilians in the Northwest unanimously maintain the following demands:

1. Reorganize the Nanking Government and admit all parties to share the joint responsibility for saving the nation.
2. Stop all kinds of civil wars.
3. Immediately release the patriotic leaders arrested in Shanghai.
4. Release all political prisoners throughout the country.
5. Emancipate the patriotic movement of the people.
6. Safeguard the political freedom of the people to organize and call meetings.
7. Actually obey the Will of Dr. Sun Yat-sen.
8. Immediately call the National Salvation Conference.

The above mentioned eight items are the points of national salvation unanimously maintained by us and by all the military and civilians throughout the Northwest.

We, therefore, hope you gentlemen will stoop to meet public sentiment and sincerely adopt these demands, so as to open one line of life for the future, and cleanse your past guilt in ruining the country. The great cause is before us. It does not permit glancing backward. We only hope to carry out thoroughly the policies maintained for national salvation and beneficial to the country. As to merit or guilt, we leave this to the judgment of our fellow-countrymen.

In sending this telegram we urgently await your order.

(Signed) Chang Hsueh-liang, Shao Li-tze, Feng Ch'in-tsai, Yang Hu-cheng, Chiang Ting-wen, Sun Wei-ju, Chu Hsiao-liang, Chen Tiao-yuan, Chen Chi-ch'eng, Ma (Hung-kuei ?), Wei Li-huang, Wang I-che, Yu Hsueh-chung, Chien Ta-chun, Wan Yao-huang, Chen Chen, Ho Chu-kuo, Tung Ying-pin, Miao Ch'eng-liu

Sianfu, December 12, 1936.

It was decided to abolish temporarily the Northwest Pacification Committee and in its place organize a Northwest Military Affairs Commission. Subsequently the Northwestern military forces were also to be reorganized and the command under the title of Kang-Erh Hien-chun, (the Uni ed Anti-Japanese Army) of which Chang Hsueh-liang was appointed commander-in-chief, and Yang Hu-cheng, vice-commander. The famous General Ma Chan-shan, hero of the anti-Japanese warfare in Manchuria, who had arrived in Sianfu was given command of the First Cavalry Army, which joined the insurrectionists.

Gen. Chiang's Refusal to Sign

Inevitably attention was centered on General Chiang Kai-shek, who naturally feared that he would be executed, despite Marshal Chang's assurance that his safety would be guaranteed with his own life. General Chiang Kai-shek requested permission to communicate with his wife which was granted. On the 13th there were long conversations between the "Young Marshal" and the Generalissmo pertaining to the Generalissmo's agreement to the eight demands listed in the Manifesto. General Chiang Kai-shek, as indicated in his statement at Nanking had refused to sign any declaration or statement, and had admonished the "Young Marshal" for his conduct, declaring that these demands should have been submitted in a legal manner and not by military insubordination.

The "Young Marshal" pointed out that they had repeatedly been submitted to Nanking, but apparently had never reached the Generalissmo owing to intrigue of Pro-Japanese subordinates.

On the 14th General Chiang Kai-shek agreed to consider the third, fourth, fifth and sixth demands, but on the 15th he allegedly agreed to consider all eight demands. However, he expressed serious doubts about the first, which involved cooperation of the Reds in the National Government. Finally, after further conversation, the "Young Marshal" pointed out that the Reds had agreed to submit to the command of the Government under any clear-cut anti-Japanese resistance policy agreed upon by the Government. At this point, General Chiang Kai-shek allegedly declared, "All-right, come with me to Nanking, and we will carry out these things together." Chang Hsueh-liang, however insisted that it would be more effective if these orders were issued from Sianfu. It was at this point that General Chiang Kai-shek wrote his two autographed letters to Nanking, in one of which he ordered the cancellation of the punitive expedition and the liquidation of the situation by peaceful negotiations.

It should also be stated that pressure upon Nanking not to use forceful means was being exerted from other directions, notably South China. Political and military leaders in South China had wired Nanking assuring the Central Government of their allegiance and support in the present crisis; but they also warned Nanking against the use of force, which would undobutedly have had the effect of precipitating civil war. This was confirmed in interviews which General Tsai Ting-kai, head of the 19 Route Army and other southern leaders, including Generals Pei Chung-tsi and Li Tsung-jen of Kwangsi Province gave to the press in the South on December 23.

Sian Developments

The *Hsi King Min Pao* or Sianfu People's Daily for December 15 published what purported to be the first orders issued in connection with the carrying out of the eight demands of the Manifesto. The first order called for the release of all political prisoners, and for negotiations looking to a truce with the anti-Japanese Red Army and negotiations for inclusion of these forces into the national troops. The report in the Sian paper claimed that full freedom had

been given to all patriotic organizations, and that an anti-Japanese movement was shortly to be launched with a vengeance. Banners to this effect allegedly are already on display in the chief cities of the Northwest. It was also claimed that reorganization of the armies of the Northwest has begun with the institution of regular political training courses for the mass of the soldiery, and establishment of representative soldiers' committees in all regiments. Resolutions were passed by all public bodies in support of the Manifesto, and the Northeastern students are said to be busily engaged in organizing merchants, workers and peasants into patriotic organizations, where they will be given political and military training.

The Sianfu paper claimed further that representatives of Li Tsung-jen, Pei Chung-hsi, Liu Hsiang and Han Fu-chu had arrived in Sian to participate in the so-called United Front National Salvation Movement. Radio broadcasts on a wave length of 1290 kilocycles were being given daily. It was declared that the Northwest desires above all else to avoid civil war, but pending the outcome of negotiations at Nanking, defense preparations are being rushed to completion. It was alleged that Marshal Chang Hsueh-liang had notified Nanking that, if Nanking began military operations, it would be necessary to convey Generalissmo Chiang Kai-shek and his entire staff directly to the front; and if Nanking staged any air raids on Sianfu that he would transport General Chiang Kai-shek and all high officials along with his own men to take their chances against the marksmanship of Nanking pilots.

The propaganda on behalf of the so-called United Front or "People's Front" movement has been widely disseminated, not only in China but all over the world. The program undoubtedly has its inspiration in Soviet or Communist circles, and constitutes an offset to Fascist programs as disseminated from Tokyo, Berlin and Rome. To this extent developments in Sianfu dovetailed with world development having similar objectives. Hence the *coup-de-etat* in Sianfu resembled in some repects world political movements similar to present happenings on the Spanish Front. However, as always happens domestic politics constituted the primary consideration. Uppermost in the minds of the former Manchurian troops and political leaders was the fact that they were stationed in a poverty-stricken section of the country and had not been paid for a considerable period on the money intended for them had been diverted into other channels. The financial element had to be settled and probably was settled in the course of the negotiations, although little attention has been paid to this outside of the Japanese reports, which alleged that large sums were handed over to Chang Hsueh-liang's forces by the Central Government.

The whole situation involes fundamental policies of the Kuomintang Party, which constitutes the court of last resort in China. It is obvious that the signing of the Italian-German-Japanese Alliance and the *de facto* recognition of Manchukuo by Germany and Italy precipitated a most serious issue in Nanking, because of the fact that German military officers have occupied a vital position in Chiang Kai Shek's military force. It was perfectly natural that Chang Hsueh-liang, as well as other political and military leaders throughout the country, were infuriated by the news of the Italian-German-Japanese Alliance, because both Germany and Italy had been courting China's favor for a considerable number of years and had received important benefits in the form of contracts and business from this country. While it is not correct to say that the dramatic struggle now taking place in Madrid was repeated in Sianfu, certain elements involved in the struggle in Spain were present in the Sianfu situation, and are present in the discussions now proceeding at Nanking for a domestic and external political readjustment following the Sianfu crisis.

British Try to Stop Flow of Volunteers to Spain

It is estimated that 20,000 German troops have disembarked in Spain to help the Nationalist-insurgents since the last meeting of the League of Nations on Dec. 12, according to a statement by General Miaja, commander of the Government forces defending Madrid on Christmas Day. These troops, he declares, have been distributed on all fronts, but particularly the Madrid front, where they are believed to be 6,000 strong. German soldiers, General Miaja added, were clearly present in recent fighting in the Boadilla sector, but "so far we have not taken any Nazi prisoners." The German infantry, he says, attack in mass as they did in the Great War. There are still many Italians with the insurgent forces, General Miaja also declared.

Instructions have been sent by the British Government to the British Ambassadors in Berlin, Rome, Moscow and Lisbon to urge the respective governments to co-operate in taking measures to discontinue the flow of foreign volunteers to Spain. It is understood that the French Government is taking similar action in these four capitals, but it is not expected that joint representations will be made by the two Powers.

Herr Hitler Wrestles with Conundrum

Herr Hitler had to wrestle over the Christmas holidays with a conundrum arising out of events in Spain. Gen. Faupel, head of the German mission at Burgos, is reported to have returned recently to Germany and to have advised the Fuhrer that 60,000 to 70,000 men would be required to ensure victory for Gen. Franciso Franco, the insurgent leader, whose regime the Reich has recognized. Herr Hitler is said to be considering whether to provide the necessary reinforcements or to keep on the good side of Great Britain by refraining from active intervention. The German General Staff is believed to be in favor of preserving Britain's goodwill, while the Nazi Party wishes to have the suggested reinforcements sent.

Chinese Postal Lines Are Further Extended

During the month of November, 1936, further extension of postal lines in the provinces of Chekiang, Anhwei, Honan, Kweichow, Kwangsi, Kiangsi and Shansi was made by the Directorate General of Posts under the Ministry of Communications. These include 537.5 kilometers courier lines and 163.8 kilometres motor and steam served lines. In the same month, the number of postal establishments throughout the country was increased by 108 second and third-class offices and agencies, while the numbers of town and rural boxes and town and rural stations was increased by 2,609 and 15,455 respectively. A dead letter and parcel office was also established in Kweichow during the month.

China Rejoices at Safe Return of Gen. Chiang; Gen. Chang "Awaits Punishment" at Nanking

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **General Chiang Returns to Nanking After 13 Days' Detention at Sian.**
2. **Generalissimo Holds Self Responsible For Sian Coup, Resigns Posts.**
3. **Central Executive Committee To Hold Third Plenary Session February 15.**
4. **"I Await Your Punishment," Says Gen. Chang Hsueh-liang to Gen. Chiang.**
5. **Rumor of T. V. Soong Succeeding Chiang As Executive Yuan Head Denied.**
6. **Foreign Envoys Convey Congratulations Over Chiang Return to Gen. Chang Chun.**
7. **All Captive Officials at Sian Are Released and Return to Nanking.**
8. **Wang Ching-wei Returning to China, Praises Chiang's Leadership in Statement.**

After having been detained for 13 days from Dec. 12 to Dec. 24 by rebel troops under Generals Chang Hsueh-liang and Yang Hu-cheng at Sian, provincial Capital of Shensi, General Chiang Kai-shek, President of the Executive Yuan and Chairman of the Military Affairs Commission, was liberated on Dec. 25 and arrived at Loyang by air at 5.30 that afternoon. On the following morning, General Chiang flew from Lovang to Nanking by air and arrived at the Capital at 12.30 p.m. Dec. 26. The Generalissimo was welcomed at the airdrome by Lin Sen, Chairman of the National Government and all members of the Central Executive Committee and Central Supervisory Committee. As the plane landed, the crowd cheered "Long Live the Generalissimo," "Long Live the Kuomintang", and "Long Live China." When Gen. Chiang emerged from the machine, the first to greet him was Yeh Chu-tsang, Secretary-General of the Kuomintang, who told him Chairman Lin Sen and all members of the C.E.C. and C.S.C. were present to welcome him. Gen. Chiang immediately stood still in front of Mr. Lin to pay his respects to the Chief Executive. Mr. Yeh further informed Gen. Chiang that several thousand people were waiting for him at the Ming Palace airdrome and thousands of people were lining the streets to welcome him, whereupon he ordered the motor-car to proceed to the Ming Palace Airdrome and along the streets acknowledge the cheers of the public. Gen. Chiang later returned to his official residence in the Central Military Academy for a rest.

Gen. Chiang Kai-shek

GENERAL CHIANG HOLDS SELF RESPONSIBLE, RESIGNS FROM TWO POSTS

In response to requests for interviews by newspaper representatives, General Chiang Kai-shek issued Dec. 26 the following statement:

"As I am feeling quite tired after the long air trip, I am not ready to grant any personal interview to newspaper correspondents. However, my remarks to Chang Hsueh-liang and Yang Hu-cheng immediately before I departed from Sian express all that I have to say about the Sian coup. Now all questions must be settled by the Central Government. Being in supreme command of the army, I am responsible for the coup, because I have failed to maintain adequate discipline in the army, which I deeply regret. Fortunately, the Central Government asserted its authority and the civil and military officers all over the country did their best to maintain peace and order which is a matter for gratification. Also I appreciate gratefully the deep concern of our people at home and abroad as well as that of the governments, people, and newspapers of the friendly nations."

Holding himself responsible for the Sian mutiny, General Chiang Kai-shek tendered his resignation Dec. 29 from the posts of President of the Executive Yuan and Chairman of the Military Affairs Commission, and asked to be punished. "In that case," he contended, "the discipline of the State will be upheld and my conscience set at ease." The Central Political Council rejected both General Chiang's resignation and his request for punishment. General Chiang did not attend the meeting of the Executive Yuan Dec. 29 and, in his absence, Dr. H. H. Kung, Minister of Finance, presided. General Chiang, it is understood, is firm in his desire to resign his posts, and intends to tender his resignation a second time. The Government, however, is practically certain to reject it again, and it is hoped that the Generalissimo will finally be prevailed upon to remain in office.

C.E.C. TO HOLD THIRD PLENARY SESSION FEB. 15

An emergency meeting of the standing committee of the Central Executive Committee was held Dec. 29 and decided to convene the third plenary session of the Central Executive and Central Supervisory Committees on February 15, 1937. At its meeting Dec. 29, the Central Political Council discussed the motion proposed by General Chiang Kai-shek regarding the treatment of Chang Hsueh-liang.

The Council decided:—

1.—That the Military Affairs Commission be empowered to deal with the Sianfu question;
2.—That military operations in Shensi be terminated; and
3.—That the headquarters of the Government's punitive expedition be abolished.

GENERAL CHIANG GIVES STIRRING SPEECH TO REBEL LEADERS BEFORE LEAVING SIAN

Before his departure from Sian Dec. 25, General Chiang Kai-shek delivered a speech of admonition to Chang Hsueh-liang and Yang Hu-cheng, the two leaders responsible for the coup of Dec. 12. The speech was recorded by Madame Chiang Kai-shek. Following is a resume of the speech:

"This coup d'etat gravely affects both the continuity of Chinese history of five thousand years and the life and death of the character of the Chinese nation. Since today you have shown due regard for the welfare of the nation and have decided to send me back to Nanking and no longer try to make any special demands or force me to make any promise or give any orders, it marks a turning point in the life of the nation. As an ancient Chinese saying goes, a gentleman should correct his mistakes as soon as they are realized. The present outcome of the coup d'etat shows that you are both ready to correct your mistakes and that is creditable to you. Since you are now so convinced by my sincerity towards you that you have the courage to acknowledge your wrongdoing, you are entitled to remain as my subordinates. Furthermore, you can be so readily converted it will certainly be easier for your subordinates to follow suit. Formerly you have been deceived by reactionaries and believed that I did not treat people fairly and that I was not loyal to our revolutionary ideals. But now you have read my private diary for this whole year, the public and private telegramsand documents that have passed through my hands during the past two months as well as my plans for the salvation of the nation. you must now know that there is not a single word which could condemn me of any self-interest or insincerity on my part. In fact, since I took military command and began to take charge of military training, there are two principles which I have always emphasized to my students and subordinates, namely:

"(1) That if I have any selfish motives or do anything against the welfare of the country and the people, then anybody may consider me a traitor and may shoot me on that account,

"(2) If my words and deeds are in the least insincere and I neglect the principles and revolutionary ideals, my soldiers may treat me as their enemy and may also shoot me.

"I am glad that I have always done what I have taught other people to do, namely, to be sincere and disinterested and I can say in all confidence that I have done nothing I need to be ashamed of. The responsibility of this coup d'etat naturally rests with you two, but I consider myself also responsible for the causes which led up to the crisis. I have always worked for the country and always believed that my sincerity and teaching would reach all my subordinates. Hence I have not paid any attention to my personal safety. My own carelessness was the remote cause of this coup d'etat and gave rise to this breakdown of discipline. On this account I feel I am to be blamed and must apologise to the nation. A country must have law and discipline. You two are military officers in command of troops, and when such a coup d'etat has taken place, you should submit to the judgment of the Central Government. However, I recognize that you were decieved by propaganda of reactionaries and misjudged my good intentions. Fortunately, immediately after the coup you realized that it was harmful to the country and expressed your deep remorse to me. Now you are convinced that not only have I had no bad intentions towards you, but that I have always had every consideration for you. I have always told my subordinates that when they make mistakes, their superiors must also be blamed for not having given them adequate training. As I am in supreme command of the army, your fault is also my fault, and I must ask for punishment by the Central

authorities. At the same time, I will explain to them that you sincerely regret what you have done. As you have rectified your mistake at an early stage, I believe the Central authorities should be able to be lenient with you. I have always impressed upon the people the importance of ethical principles and integrity to cultivate a sense of probity and of shame, to bear responsibility, and to obey discipline. If a superior officer cannot make his subordinates observe these principles, he himself is partly to be blamed. Hence in connection with this crisis, I am ready to bear the responsibility as your superior officer. On your part you should be ready to abide by whatever decision the Central Government may make and your subordinates need not have any fear for themselves. We must always remember that the life of the nation is more important than anything else. We should not care for ourselves although our personal integrity must be preserved in order that the nation may exist on a firm foundation. Our lives may be sacified but the law and discipline of the nation must be upheold. Our bodies may be confined but our spirit must be free. My own responsibility to the country and the Central Government will always be willingly borne as long as I live. That is why I have repeatedly refused to give any orders or sign anything you wanted me to give or sign while under duress. It is because I consider life or death a small matter compared with the upholding of moral principles. From this coup you should learn a definite lesson : that integrity is more important than anything else, and that national interests should procede personal ones. If you commit mistakes, do not hesitate to admit them and make corrections. You should bear responsibility for what you have done and should make these things plain to your subordinates.

"I AWAIT YOUR PUNISHMENT," SAYS CHANG TO GEN. CHIANG

As a sincere expression of regret for his Sian "folly", Chang Hsueh-liang, who arrived in Nanking at 2.10 p.m. Dec. 26 from Loyang by plane for the one purpose of "taking punishment at the hands of the Central Government, however severe," Gen. Chang arrived in the company of T. V. Soong, member of the Standing Committee of the National Economic Council. Shortly after his arrival, Chang sent a letter to Gen. Chiang Kai-shek, in which he said :

Gen. Chang Hsueh-liang

"I am by nature rustic, surly and unpolished, due to which I have created an incident, which was at once impudent and law-breaking. I have committed a great crime. I have shamefully followed you to Nanking in order to sincerely await my punishment by you, punishment befitting in severity the degree of my crime, so that it may not only uphold law and discipline but also serve as a warning to others in future against repetitions of such crime.

"Whatever is beneficial to our country, I shall never decline even if it means death. I beg you to leave aside sentiments in personal friendship, and let nothing hold you back from giving me the kind of punishment I deserve." Chang Hsueh-liang is now staying in the Nanking residence of T. V. Soong. When interviewed after his arrival, Chang told reports that he had nothing to say and that he had no plans of his own. His most emphatic answer "I have to ask the Generalissimo for instructions."

Domei reported Dec. 25 that official spokesman were unanimous in stressing that regardless of the outcome of the coup d'etat, the Nanking government would not change its policy of regarding the "Young Marshal" a rebel. This was interpreted that while the Central authorities may guarantee the safety of his life they would probably insist upon his banishment abroad. The troops under his command, it was further indicated, will be thoroughly reorganized so as to break the back of the spirit of cohesion still existing among units of the former Manchurian armies. Official quarters continued to emphasize that the foreign policy of the government would remain unchanged and that General Chang's demands for the creation of an anti-Japanese front by cooperation with the Communists would be rejected. Some Chinese observers advanced the view that the Generalissimo would probably tender his resignation and express the wish to retire assuming responsibility for the nation-wide consternation his capture created. This, however, was likely to be strongly rejected by the Government, they added.

Informal discussions proceeded Dec. 27 between General Chiang Kai-shek and other leaders of the Government for a final settlement of the Sian trouble and the punishment of Chang Hsueh-liang and Yang Hu-cheng, the principal figures behind the recent events there. The opinion is generally held that the Government will abide by the recommendations of General Chiang Kai-shek, who, while indicating a firm intention to uphold the sanctity of law and discipline, is expected to advocate leniency. Chang Hsueh-liang and Yang Hu-cheng may, it is stated, be given "a further opportunity to prove their loyalty and sincerity." Dr. H. H. Kung, Minister of Finance, who served as Acting President of the Executive Yuan during General Chiang Kai-shek's detention in Sianfu, called Dec. 27 on Chang Hsueh-liang and T. V. Soong.

Official circles emphatically denied that General Chiang was released upon conclusion of a compromise plan with the "Young Marshal." The whole coup is said to be the result of a costly misunderstanding that the Generalissimo was to dismiss General Chang and disband his troops, which has now been completely cleared up. Non-official circles close to the government leaders intimated that General Chang Hsueh-liang will retire and the command of the Northeastern Army will be transferred to General Wang Shu-chang, former Manchurian leader, under the direct jurisdiction of General Yen Hsi-shan, pacificatilon commissioner of Shansi and Suiyuan provinces.

Reports that he had been appointed to command the Northeastern army in Shensi in succeession to Chang Hsueh-liang were denied in Peiping Dec. 28 by General Wang Shu-chang, formerly garrison Commander of Peiping. General Wang arrived at Peiping Dec. 27 from Taiyuan, the capital of Shensi.

RUMOR OF T. V. SOONG SUCCEEDING CHIANG AS EXECUTIVE YUAN HEAD DENIED

Reuters authoritatively learned Dec. 28 from T. V. Soong's Shanghai office that there is absolutely no foundation for the rumor in circulation to the effect that Mr. Soong may succeed General Chiagn Kai-shek as President of the Executive Yuan. A previous *Reuter* report from Nanking stated that Mr. Soong would be appointed President of the Executive Yuan.

T. V. Soong

KUNG RESIGNS ACTING PRESIDENCY OF EXECUTIVE YUAN FOLLOWING CHIANG RETURN

Dr. H. H. Kung, acting president of the Executive Yuan and Minister of Finance, has resigned from the post as Acting President of the Executive Yuan, to which he was appointed when President Chiang Kai-shek was detained at Sian. Dr. Kung expressed gratification for the co-operation pledged by the Chinese and foreign financial circles during the two weeks while the Generalissimo was detained in Sian. He specially mentioned the part the Chinese and foreign banks played in assisting the Chinese government to stabilize the exchange and market.

General Chiang Kai-shek is to leave Nanking shortly for his birthplace, Fenghua, in consequence of the sudden death Dec. 28 of his elder and only brother, Chiang Shih-hou, who was a member of the Chekiang provincial government. Mr. Chiang, who, despite his brother's eminence, was little known to the general public, was 63 years of age. He was formerly an official of the Chinese Maritime Customs.

NATION WILD WITH JOY AT CHIANG'S SAFE RETURN, CELEBRATIONS HELD IN MANY CITIES

An unreserved outburst of rejoicing swept over the country, from Kiangsu to Yunnan and from Hopei to Kwangtung, Dec. 25 as news spread like wildfire, announcing the arrival in Loyang of Gen. Chiang Kai-shek at 5.45 p.m. that day. Fifteen minutes after the Generalissimo safely landed in Loyang from Sian, the entire nation learned of the glad tidings through colored handbills circulated by the various bureaus and correspondents of the Central News Agency in every province. "The people went wild with joy", reported C.N.A. correspondents from 23 cities in 16 provinces, including Chengtu, Tungkwan, Canton, Hankow, Hsuchow, Chungking, Peiping, Tientsin, Nanchang, Wuhu, Chengchow, Hangchow, Tsingtao, Amoy, Foochow, Kweiyang, Ninghsia, Chinkiang, Loyang, Changsha, Kunming and Hongkong. Never before had such spontaneous outburst of exuberant joy on the part of the people been witnessed as that expressed that night to celebrate the liberation of the Generalissimo, according to dispatches received at Nanking from all parts of the country. Without organization beforehand, the people joined in parades, firecrackers were exploded in more abundance than on New Year's Day, factory sirens blew, the cities were beflagged, radio announcers gave out the happy news, and the people shouted "Long Live The Republic of China," "Long Live Gen. Chiang Kai-shek." Evening newspapers sold like "hot cakes." and morning papers issued extras in pactically every city. Cinemas and theaters posted handbills, announcing the happy news. A continuous stream of telegrams of congratulations poured into Loyang from civil and military leaders in all parts of the country.

A total of 800,000 people attended mass meetings held in 11 cities on Dec. 27, celebrating the safe return to Nanking on Dec. 26

of Gen. Chiang Kai-shek. The cities in which celebrations were held included Nanking Amoy, Foochow, Hankow, Chinkiang, Chungking, Tsinan, Kweihua, Kaifeng, Anking and Nanchang, while rallies were held in Shanghai, Hsuchow and Kiangyin.

The news of General Chiang Kai-shek's release was received in Canton evening Dec. 25 with the wildest joy. Continuous firing of crackers broke the sorrowful silence and gloom which had hung over the city during the past fortnight. Unprecedented scenes of celebration were witnessed as huge crowds jammed the streets listening to radio broadcasts of the Generalissimo's release, beating gong and blowing bugles. The celebrations extended far into the night.

Approprixamately $100,000 worth of fire-crackers were set off at Kunming, Capital of Yunnan, night Dec. 25 in celebration of the safe return of Gen. Chiang Kai-shek at Loyang.

The wildest excitement was caused in Chinese quarters in Manila night of Dec. 25 by *Reuter's* flash of the release of General Chiang Kai-shek. Extras were rushed out bearing the glad tidings, while fire-crackers were discharged in celebration. Police stations in the city were subsequently packed with Chinese rounded up for violating the ordinance prohibiting fire-crackers within the limits of the city. Most of the arrested Chinese, however, took their detention in good humor, declaring it was well worth it.

General Sung Cheh-yuan, Chairman of the Hopei and Chahar Political Council, telegraphed Dec. 26 his congratulations to General Chiang Kai-shek on his release. He said he was glad the situation had been cleared up without bloodshed or injury to the Generalissimo. He considered that the settlement indicated that Chang Hsueh-liang was not an ally of the Reds. General Sung revealed that shortly after the revolt broke out at Sianfu on Dec. 12, Chang Hsueh-liang wired him for his views on reorganizing the Central Government. He had replied that he would never agree to the inclusion of Communists. The idea of a people's front was Red propaganda; such a front was not needed; what was needed wsa a strong central government.

ENVOYS CONVEY CONGRATULATIONS OVER CHIANG RETURN TO GEN. CHANG CHUN

Gen. Chang Chun, Minister of Foreign Affairs, received at the Waichiaopu Dec. 28 a number of foreign diplomatic representatives who conveyed their congratulations on behalf of their respective governments for the safe return of Gen. Chiang Kai-shek.

Among tham are: S. Kawagoe, the Japanese Ambassador; R. H. Howe and A. D. Blackburn, respectively Counsellor and Secretary of the British Embassy; Nelson T. Johnson, the American Ambassador; M. Paul Naggiar, the French Ambassador, and Dr. Osakr Trautmann, the German Ambassador.

A *Tass* report f om Moscow Dec. 24 stated that the newspapers, there publish a report from Shanghai: "Reliable information has been received, that the Japanese Ambassador to China, Mr. Kawagoe, in his conversations with the Chinese Minister of Foreign Affairs, General Chang Chun, not only opposed a compromise between the Nanking Government and General Chang Hsueh-liang and insisted on a punitive expedition against the latter, but also demanded the removal from the Chinese Government of all elements not inclined towards an agreement with the Japanese on conditions set down by the latter. It is reported, that the Japanese covertings are supported by some members of the Nanking Government who, immediately after General Chang Hsueh-liang's rebellion, caused a decision to be taken to invite Wang Ching-wei with the aim of placing him at the head of the Nanking Government in place of General Chiang Kai-shek."

GENERAL AND MME. CHIANG THANK FRIENDS FOR SYMAPTHY MESSAGES

Generalissimo and Madame Chiang Kai-shek has sent the following tel gram to all foreign news papers in Shanghai:

"Generalissimo and Madame Chiang Kai-shek, finding it impossible personally to acknowledge the innumerable letters and telegrams of sympathy sent during the recent detention of the Generalissimo at Sian, trust that all friends and well-wishers will accept this form of acknowledgement as an expression of their deep appreciation and gratitude."

High praise for Madame Chiang Kai-shek for the part she played in securing her husband's release was given by W. H. Donald, adviser to the Generalissimo, in a telephone message to *Reuters* from Nanking Dec. 26. Credit for the liberation of General Chiang, he said, should go largely to Madame Chiang, whose visit to Sianfu was undertaken with fine disregard of personal danger. Where others may have failed, Madame Chiang succeeded, her personality winning through every difficulty.

ALL CAPTIVE OFFICIALS AT SIAN ARE RELEASED, RETURN TO NANKING

Nine high government officials and military commanders who were detained in Sian together with Generalissimo Chiang Kai-shek during the coup detat, arrived at Nanking from the Shensi capital at 2.50 p.m. Dec. 27 by plane. They are: General Chen Cheng, Vice-Minister of War; General Chu Shao-liang, Pacification Commissioner for Shensi; General Chien Ta-chun, chief aide de camp of the Generalissimo; Gen. Chen Tiao-yuan, President of the Military Advisory Council; Gen. Chiang Tso-ping, Minister of Interior; Gen. Chen Chi-chen, Bandit-Suppression Commander of the Honan, Anhwei and Kiangsi borders; Gen. Wei Lieh-huang, field commander of the anti-Red forces in the Northwest; Gen. Chiang Pao-li, former President of the Paoting Military Academy; and General Wan Yao-huang.

Chang Hsueh-liang and Yang Hu-cheng, the two leaders of Sian revolt, have despatched two autographic letters to Madame Shao Yuan-chung, widow of the Chairman of the Central Party History Compilation Committee, expressing their regret for the untimely death of her hushand during the recent military coup at Sian. In their letters, Chang and Yang, besides offering personal condolences, state that they will assume personal responsibility for the murder of the late Mr. Shao.

At a meeting of the Standing Committee of the Central Executive Committee of the Central Executive Committee Dec. 29, Chang Chi, C.S.C. member, was appointed as chairman of the Kuomintang History Compilation Committee to succeed the late Shao Yuan-chung, who was killed on Dec. 13 in Sian during the uprising.

MANY OF CHIANG'S BODY-GUARDS KILLED DURING SIAN MUTINY

Only six out of 52 aides-de-camp and secretaries, who were with Gen. Chiang Kai-shek at the outbreak of the mutiny in Sian, on Dec. 12 are out of danger, said Mo Wu-ya, aide-de-camp to the Generalissimo in an interview at Loyang Dec. 22. The majority of the Generalissimo's staff have been killed, according to Mo.

Conditions in Shensi are gradually returning to normalcy following the settlement of the Sian crisis, *Central News* reported Dec. 28. The Lunghai Railway is now rushing repair work on the bridge spanning Chihsui and the westbound train is expected to leave for Sian shortly. Freight service on the Lunghai and Tientsin-Pukow Lines, which was interrupted on account of heavy troop movement during the last week, will also be resumed immediately. Hsuchow Station, the intersection of the two railways, is packed with merchandise and mails destined for various points in Shensi. An early resumption of the Northwest airline of the Eurasia Aviation Corporation is also expected. Meanwhile, telegraphic communication between Sian and Loyang has also been resumed.

STIRRING EVENTS OF SIAN REVOLT CHRONICLED

Dec. 12—Chang Hsueh-liang's troops stage coup detat at 6 a.m. at Hwachingchin, detaining Gen. Chiang Kai-shek and 17 other high Government officials.

Dec. 13—National Government issues mandate declaring adequate measures will be taken to cope with Sian mutiny.

Yu Hsueh-chung's troops revolt at Lanchow and loot city for two days and nights. Many high Government officials murdered.

Dr. H. H. Kung arrives in Nanking to take charge of the Executive Yuan.

Thousands of Central Government troops reported on way to Shensi capital.

Central Political Council dismisses Chang Hsueh-liang from all Government posts and issues order for his arrest.

Dec. 14.—Madame Chiang receives telegram from Generalissimo saying he is well and safe.

W. H. Donald, Australian adviser to the Generalissimo, arrives in Sian from Nanking by special plan.

Fierce fighting between Central Government troops and the rebels reported at Sienyang, 15 miles northwest of Sian.

Leaders throughout pledge support and loyal y to Nanking.

Dec. 15—W. H. Donald flies to Loyang from Sian and sends message to Madame Chiang saying Generalissimo is well.

Executive Yuan decides foreign policy as laid down by Gen. Chiang and the bandit-suppression campaign will be continued.

Japanese issue report Gen. Chiang murdered in Sian.

Dec. 16—Nanking orders Punitive Expedition against rebels.

Gen. Ho Ying-chin appointed Commander-in-Chief of Expeditionary Forces.

Dec. 17—Yu Yu-jen goes to Shensi as special emkissary of National Government to comfort people.

Chiang's Hsueh-liang's private plane arrives in Taiyuan.

Shanghai Chinese press favors punitive expedition against insurgents.

Dec. 18.—Chiang Kai-shek sends autographed letter to Gen. Ho Ying-chin saying he (Chiang) is expected to return to Nanking before Saturday and requests Central Government to suspend hostilities and bombing operations at Weinan.

Gen. Chiang Ting-wen, one of the officials held prisoner at Sian, returns to Nanking by plane and reports Generalissimo is well.

Dec. 19—T. V. Soong leaves for Sian by plane.

Death of Shao Yuan-chung confirmed.

First report of death of Generalissimo's chief bodyguard, Capt. Chiang Hsiao-hsien and secretary, Hsiao Nan-kua, received in Shanghai. German Minister of Defense sends message of sympathy to Madame Chiang.

Dec. 20—Gen. Chiang Kai-shek fails to return to Nanking.

T. V. Soong arrives safely in Sian.

Dec. 21—Madame Chiang flies to Sian with T. V. Soong and W. H. Donald.

Forty-six aides-de-camp and secretaries killed defending Generalissimo in Sian, according to eyewitness.

Dec. 22—Generals Liu Shih and Ku Chu-tung appointed commanders-in-Chief of Eastern and Western route armies of Punitive Expeditionary Forces.

(*Continued on page* 171)

Daily Record of Stirring Events in China in 1936

COMPILED BY THE EDITORIAL STAFF OF "THE CHINA WEEKLY REVIEW"

JANUARY 1936

1.—Generals Shang Cheng and Yang Yung-tai inaugurated as Chairman of Honan and Chairman of Hupeh respectively.
1.—Chinese Government, in accordance with a League of Nations' resolution, started to enforce sanctions against Italy.
3.—General Chiang Kai-shek wired General Sung Cheh-yuan, instructing him to deal with the Chahar situation in accordance with the principle of preservation of territorial integrity.
3.—Railways Minister Chang Kia-ngau arrived at Peiping to see General Sung Cheh-yuan and discussed with him the question of Peiping-Liaoning Railway. He later toured Chahar and Suiyuan to inspect the Peiping-Suiyuan Railway.
5.—An armed conflict between Japanese and Chinese soldiers occurred at Chaoyang Gate (Peiping).
5.—General Chiang Kai-shek arrived at Shanghai to visit Wang Ching-wei, Huang Fu and Tuan Chi-jui, and returned to Nanking the same day.
5.—Dr. V. K. Ting, noted Chinese geologist, died in Hunan.
6.—General Feng Yu-hsiang assumed office as Vice-Chairman of the Military Affairs Commission.
6.—Railways Minister Chang Kia-ngau arrived at Tatung, Shansi, and conferred with General Fu Tso-yi, Suiyuan Chairman, on Suiyuan situation.
7.—Japanese lodged protest with Chinese authorities at Peiping against the Chaoyang Gate incident.
8.—General Sung Cheh-yuan assumed his concurrent post as Chairman of Hopei at Paoting.
8.—General Chang Hsueh-liang arrived at Taiyuan from Sian by plane to confer with General Yen Hsi-shan on the Communist situation.
8.—Japanese troops continued to occupy Tangku and its railway station.
9.—Japanese military officers stationed in various parts of North China held conference at Tientsin to discuss the North China situation.
11.—The Economic Committee of the Hopei-Chahar Political Council inaugurated.
11.—General Chang Hsueh-liang flew back to Sian from Taiyuan.
12.—Lieutenant-General K. Doihara, Head of the Japanese Kwantung's Army Special Service, arrived at Tientsin.
12.—The question of illegal seizure of the revenue of the Peiping—Liaoning Railway by Yin Ju-keng's East Hopei Regime was settled with the Railway Administration subsidizing Yin's organ $100,000 monthly.
12.—Japanese military established Special Service Station in Suiyuan.
12.—Japanese military officers held another conference in Tientsin with Doihara as the central figure.
13.—Students in Canton clashed with police while parading and demonstrating in connection with the North China situation. Chancellor Tsou Lu of the Chungshan University tendered resignation. Local authorities issued order banning students' activities.
13.—The 96th batch of deported Chinese from Japan arrived at Shanghai.
14.—Executive Yuan appointed General Chang Fa-kwei Commander of the Bandit-suppression Forces in the Borders of Fukien, Chekiang, Anhwei and Kiangsi, and Peng Hsueh-pei Administrative Vice-Minister of Communications.
14.—General Sung Cheh-yuan arrived at Tientsin from Peiping to see General Doihara, and discussed with him the Hopei and Chahar situation.
14.—The Hopei-Chahar Pacification Headquarters inaugurated.
14.—General Sung Cheh-yuan appointed Shih Yu-san as Peiping Peace Preservation Commander.
15.—The order for arrest of Shih Yu-san by the National Government was rescinded upon the request of General Sung Cheh-yuan.
15.—General Chiang Kai-shek received at Nanking more than 300 delegates of students from the various parts of the country and explained to them the foreign policy of the government.
15.—The Changlu Salt Inspectorate paid over to the East Hopei Regime $250,000 as an inducement for cessation of seisure of the salt revenue by the latter.
16.—Hu Han-min, Chairman of the Standing Committee of the Central Executive Committee, arrived at Singapore on way back to China.
16.—General Sung Cheh-yuan apologized to the Japanese for the Chaoyang Gate incident.
16.—General Chiang Kai-shek declared to the students' delegates that he would never sign any treaty prejudicial to the territorial integrity of China.
16.—General Yen Hsi-shan assumed office as Vice-Chairman of the Military Affairs Commission at Taiyuan.
17.—It was rumored that Prince Teh and Tso Shih-hai, two Mongol leaders, had issued a circular telegram declaring independence of Inner Mongolia from China.
17.—Dr. Wang Chung-hui resigned as Judge of the International Court of Permanent Justice at The Hague.
19.—Hu Han-min arrived at Hongkong, welcomed by General Chen Chi-tang of Kwangtung, and Chu Cheng and Yeh Chu-tsang, high commissioners of the Nanking Government.
20.—Foreign Relations Committee of the Hopei-Chahar Political Council inaugurated with Chen Chung-fu as chairman.
21.—Executive Yuan approved the issuance of $120,000,000 Railway Bonds.
21.—Chinese Ambassador to Italy General Liu Wen-tao arrived at Shanghai on leave.
21.—Prince Teh denied reports of his declaration of independence.
22.—A spokesman of the Waichiaopu declared China had not agreed to the so-called Hirota's Three Point Policy.
22.—Lei Chi-ho, Counsellor of the Tientsin Municipal Government, assassinated in Tientsin.
23.—Ni-Ma-O-Teh-Sol, member of the Mongolian Political Council, assassinated near Changpei, Chahar.
25.—Japanese Military Attache Maj.-Gen. Kita interviewed General Chiang Kai-shek.
25.—Hu Han-min arrived at Canton from Hongkong.
26.—General Sung Cheh-yuan wired National Government, recommending the appointment of Chen Chung-fu, Chen Chueh-sheng and Niu Chuan-shan as additional members of the Hopei-Chahar Political Council.
27.—General Chiang Kai-shek summoned representatives of Mongolian Banners in Nanking, inquiring of the prevailing conditions in Mongolia.
28.—Japanese military attache in Peiping declared the Chaoyang Gate and Tangku Incidents had been settled, but the terms of settlement could not be published.
28.—China observed quietly the 4th anniversary of the Japanese War on Shanghai.
29.—Japanese Ambassador, A. Ariyoshi, having been recalled, arrived at Nanking to bid farewell and was decorated by the Chinese Government.
29.—Li Shou-hsin, leader of Manchukuo irregulars, established Provisional Military Government at Changpeh, Chahar.
30.—Tientsin Municipal Government reorganised to be placed under the direct control of the Executive Yuan.
30.—Chairman Lin Sen wired Hu Han-min, urging him to come to Nanking.
31.—A. Ariyoshi issued farewell statement on eve of his departure from China for Japan.

FEBRUARY

1.—National Anti-Opium Association held inaugural meeting at Nanking with Inspector-General of Opium Suppression Chiang Kai-shek in attendance.
2.—General Liu Chien-hsu of Hunan Army reported recovery of Yuching and Oung-an in Hunan from the Reds.
3.—General Sung Cheh-yuan and General Han Fu-chu (Shantung Chairman) conferred at Lo-ning on Shantung-Hopei border.
3.—Prince Teh wired Nanking, denying independence of Inner Mongolia.
4.—Executive Yuan approved of the issuance of the Consolidation and Rehabilitation Loans.
4.—Executive Yuan appointed Hsu Shih-yin Chinese Ambassador to Japan, and promoted Minister to France Dr. Wellington Koo to status of Ambassador. General Chu Ching-lan was appointed Chairman of the National Famine Relief Commission succeeding Hsu Shih-yin.
6.—Hu Han-min summoned conference of important southwest leaders at Canton to discuss the national situation.
7.—Lo Chia-heng, newly appointed Commissioner of Foreign Affairs for Chahar, arrived at Kalgan to assume his office.
7.—A. Ariyoshi departed from Shanghai for Japan.
9.—General Sung Cheh-yuan and General Doihara conferred at Peiping on settlement of Chahar issues.
10.—Jun-kee Choy and Tan Po-ying assumed office as Managing-Director and Assistant Managing-Director of the reorganised China Merchants' Steam Navigation Company.
10.—The new nickel subsidiary coins put into circulation.
11.—Executive Yuan abolished the Peiping-Tientsin Garrison and the Tientsin-Tangku Peace Preservation Headquarters, and established, in their place, the Tientsin Peace Preservation Headquarters with Gen. Liu Chia-luan as Commander. General Yen Hsi-shan was appointed High

Commissioner to direct the autonomy of the various Mongolian Banners in Suiyuan.
11.—Tso Shih-hai, rebel Mongolian leader, organised Chahar Mongolian Banner Government at Changpei, with himself directing Banner affairs and Li Shou-hsin directing military affairs.
12.—Yin Ju-keng established office of East Hopei Government at Tientsin.
12.—The new American Consul-General at Shanghai, Clarance Gauss, assumed office.
13.—Goods smuggled into North China by Japanese and Koreans openly sold in Peiping-Tientsin area.
14.—Chiu Chang-wei and Sun Jen-lin, two staff officers of the Kwangsi Army, arrived at Tsinan to interview General Han Fu-chu.
15.—China-Japan radio service inaugurated.
17.—Gen. K. Doihara visited Yin Ju-ken at Tungchow and declared at Peiping that Japanese garrison forces in North China would be increased "to protect the Japanese nationals."
17.—The anti-Red forces under General Hsueh Yueh recovered Szeyang, Tienchuan and Lushan in Szechuan from the Communists.
19.—The second anniversary of the New Life Movement observed in Nanking and in other cities.
19.—Japanese ronins and Chinese customs officers at Shanhaikwan clashed because of the latter's refusal to release the smuggled goods.
19.—Wang Ching-wei departed from Shanghai for Europe.
20.—National Government proclaimed Emergency Measures for the Preservation of Peace and Order.
20.—New Sino-French Agreement relating Yunnan-Burma Railway signed.
20.—British Ambassador Sir Alexander Cadogan promoted Under-Secretary of British Foreign Office and Sir Huge Knatchbull-Hugessen appointed his successor.
20.—New Brazilean Minister to China presented his credentials to the Chinese Government.
20.—Wang Ching-wei arrived at Hongkong en route to Europe.
23.—General Tada, Commander of Japanese North China Garrison, declared that Gen. Doihara was not authorized by the Kwantung Army to negotiate for the settlement of the Hopei and Chahar issues.
23.—Dr. C. T. Wang called on Hu Han-min at Canton and conferred with him on the situation.
24.—Peiping authorities arrested 107 students suspected of being engaged in subversive activities.
24.—General Tada flew from Tientsin to Kalgan.
24.—North China authorities decided to permit export of salt to Japan.
25.—High officials and staff members of the Mongolian Political Council together with more than 1,000 soldiers announced their withdrawal from the Council and departed from Pailingmiao for Suiyuan, the reason being that since the departure of Prince Teh from Pailingmiao, they had been left in a precarious position.
25.—The Department of Education of the Hopei Provincial Government issued orders to Tientsin Municipal Government, prohibiting the Students' Patriotic Movement.
25.—General Tada left Kalgan for Suiyuan.
25.—The Southwest Political Council wired the National Government, voicing their opposition to the Hirota "Three Point Program."
26.—Japan decided to build a naval harbor at Taku.
26.—Hachiro Arita, new Japanese Ambassador to China, arrived at Shanghai.
27.—Dr. Cheng Tien-fang, new Chinese Ambassador to Germany, presented credentials to German Government.
28.—Hopei-Chahar Political Council decided to abolish standing committee system.
28.—Gen. Chen Chi-tang and Gen. Li Tsung-jen conferred with Hu Han-min on Sino-Japanese situation.

MARCH

1.—National Rehabilitation and Railway Development Bonds put into circulation.
1.—Hsu Shih-yin arrived at Peiping to confer with General Sung Cheh-yuan on North China situation before leaving for Japan.
2.—Ministry of Foreign Affairs lodged vigorous protest with Japanese Embassay against illegal flights of Japanese airplanes in North China.
3.—Executive Yuan approved of the issuance of the Szechuan Rehabilitation Bonds.
5.—Shansi troops scored big successes over the Communists, the remnants of whom fled westward.
6. Hachiro Arita presented credentials to National Government as Japanese Ambassador to China.
6.—Shansi troops fought sanguiary battles with Communists in vicinity of Hsiaoyi.
6.—Hsu Shih-yin sailed for Japan to assume office as Chinese Ambassador to Japan.
7.—General Sung Cheh-yuan summoned high officers of the 29th Army, discussing effective measures for the suppression of Reds.
8.—General Yu Hsueh-chung assumed office as Kansu Chairman.
10.—Shansi troops recaptured Hsiaoyi and Hsiapaocheng from the Communists.
10.—Dr. Wang Chung-hui arrived at Hongkong from Europe.
10.—Executive Yuan President Chiang Kai-shek issued circular order, suppressing corruption among public functionaries.
10.—Hsu Shih-yin arrived at Tokyo.
11.—Japanese Ambassador H. Arita paid first official call on Executive Yuan President Chiang Kai-shek.
11.—Officials and soldiers of the Mongolian Political Council who had withdrawn from the service of the Council were reorganised and the incident was satisfactorily settled.
12.—Agreement for through traffic between the South Manchuria Railway and the Peiping-Liaoning Railway signed.
12.—Dr. Wang Chung-hui arrived at Canton from Hongkong and conferred with General Chen Chi-tang and Hu Han-min on national salvation problems.
13.—Japanese military attaches held conference at Tientsin with General Kita as the central figure.
13.—Hopei-Chahar Political Council authorised the export of Changlu salt to Japan which totals about one million tons a year.
14.—National District Governments' Reform Conference opened at Nanking with Dr. T. F. Tsiang (Director of Political Affairs Department of the Executive Yuan) presiding.
14.—Railways Minister Chang Kia-ngau inspected the Canton-Samsui Railway.
16.—Japanese Ambassador H. Arita called on Foreign Minister Chang Chun to initiate negotiations.
16.—Railways Minister Chang Kia-ngau arrived in Kwangsi to discuss railway construction projects in that province.
16.—Eighteen Communist students of Kuo Ming Normal School at Taiyuan executed.
16.—Large quantities of smuggled goods flooded Tientsin market.
16.—Central Savings Society opened to business.
16.—Japanese Ambassador H. Arita called on Foreign Minister Chang Chun for second interview.
18.—Third interview between H. Arita and Chang Chun held.
18.—Chang-Arita conversations ended with the issuance of a joint statement.
20.—H. Arita paid farewell call on General Chang Chun.
20.—Dr. Wang Chung-hui left Hongkong for Shanghai.
20.—Legislative Yuan passed revised regulations governing organization of Ministry of Finance.
21.—General and Madame Chiang Kai-shek visited their home city, Fenghua, for brief rest.
22.—Dr. Wang Chung-hui and Chang Kia-ngau arrived at Shanghai from Hongkong.
22.—Japanese Ambassador H. Arita summoned conference of consular officials at Shanghai.
23.—Large bodies of Japanese and Manchukuo troops arrived at the various Great Wall Passes.
23.—Japanese Ambassador H. Arita left Shanghai for Tientsin.
24.—Shansi troops recovered more cities from the Reds.
24.—German Ambassador Dr. Osakr P. Trautmann left Shanghai for Germany on home leave.
25.—Japanese Ambassador H. Arita summoned conference of North China Japanese consuls in Tientsin.
25.—Fu-Tan University in Shanghai searched and seven students arrested.
26.—Japanese Ambassador H. Arita left Tientsin for Changchun en route to Japan.
26.—Chinese Ambassador to France Dr. Wellington Koo, and Gen. Liu Wen-tao, Ambassador to Italy, sailed from Shanghai for their respective posts.
28.—General Chiang Kai-shek returned to Nanking from Fenghua.
27.—Cheng Keh, former Mayor of Tientsin, died at Tientsin.
28.—General Yang Hu assumed office as Garrison Commander of Shanghai-Woosung Area (the office formerly held concurrently by Mayor Wu Te-chen).
30.—Trial of suspects involved in attempted assassination of Wang Ching-wei opened at Nanking.

APRIL

1.—Ministry of Foreign Affairs spokesman denied existence of any secret Sino-Japanese treaty.
1.—Peiping Students' Association dissolved by order of local authorities.
2.—Dr. Wang Chung-hui arrived at Nanking to interview General Chiang Kai-shek, and conferred with him on the situation.
3.—Responsible Chinese and Japanese authorities in North China discussed anti-Red measures in Tientsin.
5.—Six Alexander Cadogan left China for England.
6.—Hsu Shih-yin presented credentials to Japanese Government as Chinese Ambassador to Japan.
7.—Foreign Affairs Ministry protested against the conclusion of an agreement between Soviet Russia and Mongolia.

7.—Dr. Co-ching Chu appointed President of Chekiang University in succession to Dr. Kuo Jen-yuan.
8.—General Chiang Kai-shek arrived at Hankow from Nanking on tour of inspection.
8.—Wuhan Students' National Salvation Association dissolved by Hupeh authorities.
9.—The Soviet reply to China's protest against the Soviet-Mongolia Agreement received at Nanking.
13.—Ling Sheng, Governor of Hsingan Province in Manchuria and five other high officials arrested by Japanese authorities on charge of plotting with Soviets against "Manchukuo."
15.—Central Political Council approved in principle the regulations governing enforcement of People's Labor Service.
15.—Communists in southern Shansi fled southward.
16.—General Chiang Kai-shek arrived at Chungking from Hankow.
17.—General Chiang arrived at Chengtu from Chungking.
17.—Japanese Government sought consent of Chinese Government to the promotion of Japanese Consul-General at Tientsin, Shigeru Kawagoe, as Ambassador to China.
18.—Chengtu Branch School of the Central Military Academy opened.
18.—National Government observed 9th anniversary of its establishment at Nanking.
19.—The new Norwagian Minister to China arrived at Shanghai.
20.—Finance Ministry approved appropriation of $1,000,000 from the Customs revenue in North China to the Hopei Provincial Government as monthly subsidy.
21.—Serious plague broke in Liangchow, Anhsi and Yemen in Kansu with heavy death toll, amounting to 900 to 1,000 deaths daily.
22.—General Chiang Kai-shek arrived at Kunming, Yunnan, from Szechuan.
23.—Mutual Defense Agreement between "Manchukuo" and "East Hopei Regime" signed at Changhcun.
24.—Tientsin students demonstrated in opposition to the Japanese proposed "Agreement for Joint Defense Against Communsits."
25.—General Chiang Kai-shek arrived at Kweiyang, capital of Kweichow.
26.—Conference of Japanese resident military officers in North China opened at Tientsin.
26.—Sir Frederick and Lady Leith-Ross arrived at Tientsin.
27.—General Chiang Kai-shek flew to Hunan from Kweichow.
28.—Executive Yuan appointed General Lung Yun Commander-in-Chief of the Bandit-Suppression Forces for Yunnan-Kweichow Border and General Ho Chien Hunan Pacification Headquarters.
29.—General Chiang Kai-shek arrived at Nanchang, Kiangsi, from Hunan.
29.—General Chang Hsueh-liang arrived at Taiyuan to confer with General Yen Hsi-shan on bandit situation.
20.—Legislative Yuan passed draft of the Regulations Governing the Organization of the People's Congress.
30.—Laying of tracks of the Canton-Hankow Railway completed.

MAY

1.—Chinese Government gave consent to appointment of Shigeru Kawagoe as Japanese Ambassador to China.
2.—Legislative Yuan passed regulations governing the election of delegates to the People's Congress.
3.—Plenary Session of the Mongolian Political Council opened at Pailingmiao with Prince Teh presiding.
4.—Shansi and Shensi military authorities issued joint order for general offensive against the Communists.
4.—Shigeru Kawagoe left Tientsin for Japan.
5.—Final Draft of the Constitution of the Republic of China promulgated by the National Government.
5.—General Chiang Kai-shek returned to Nanking from tour of inspection
6.—Mongolian Political Council Plenary Session concluded.
7.—Japanese military officers in North China opposed to the dissolution of the "East Hopei Regime," thereby causing suspension of diplomatic negotiations for settlement of North China issues.
8.—The new Norwagian Minister to China presented credentials.
9.—China observed "National Humilitation Day."
10.—General Sung Cheh-yuan gave farewell party to General Tada, retired Commander of the Japanese North China Garrison Forces.
12.—Hu Han-min, Chairman of the Standing Committee of Central Executive Committee, died at Canton.
14.—Southwest political and military leaders, including Gen. Pai Chung-hsi, held joint conference at Canton, discussing ways and means of effecting closer relations between Nanking and the Southwest.
14.—First detachment of the new Japanese troops for North China arrived at Tientsin.
17.—Japan decided to increase her Garrison Forces at Tungchow, East Hopei to 3,000.
17.—Chinese art treasures which had been sent to London for exhibition arrived back at Shanghai.
19.—General Tashiro, new Commander of Japanese Forces in North China, arrived at Tientsin.
19.—National Government dispatched envoys to Canton to offer sacrifices to the late Hu Han-min.
19.—President Tai Chi-tao of Examination Yuan and Dr. C. T. Wang sailed for Europe as China's chief delegates to the World Olympics in Germany.
19.—U.S. Secretary of Treasury, Henry Morgenthau, announced at Washington conclusion of silver-purchase Agreement with China. The Chinese Government represented by K. P. Chen and P. W. Kuo.
22.—Japanese military officers in North China held conference at Tientsin with new Japanese commander General Tashiro as central figure.
25.—Foreign Minister Gen. Chang Chun delivered important speech on Sino-Japanese relations.
26.—Executive Yuan appointed Chao Tai-wen Chairman of Shansi.
26.—General Tashiro assumed office as Commander of Japanese Garrison Forces in North China.
26.—Chinese Good-Will Mission to Siam sailed from Shanghai.
27.—Agreement for the export of Changlu salt to Japan signed at Tientsin.
27.—Smuggling situation in North assumed serious proportions. Japanese and Korean ronins forcibly loaded trains with smuggled goods and moved them southward.
28.—Japan decided to increase navy strength in Tientsin.
28.—Tsou Lu, Chancellor of Canton Sun Yat-sen University and prominent southwest leader, sailed abroad from Canton to attend World University Congress in Germany.
29.—Large detachments of new Japanese troops arrived at Tientsin.
29.—General Chang Hsueh-liang flew back to Sian from Shansi.
30.—Shanghai observed 11th anniversary of the "May 30 Incident."
30.—General Li Ta-cheng, Commander of the 19th Army in Shansi, assassinated.
30.—General Pai Chung-hsi flew back to Kwangsi from Canton.

JUNE

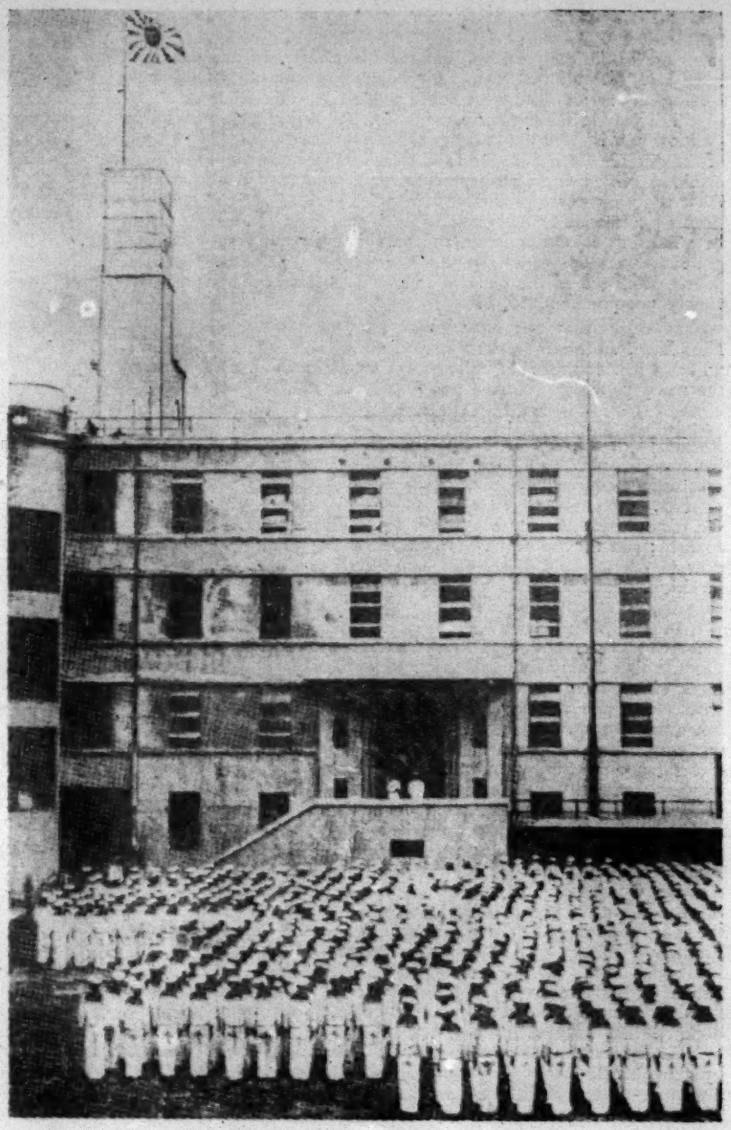
1.—Chen Chueh-sheng, Managing-Director of the Peiping-Liaoning Railway, assumed his concurrent office as Acting Chairman of th Foreign Affairs Commission of the Hopei-Chahar Political Council.
1.—General Ho Chien, Chairman of Hunan, assumed his concurrent offic as Pacification Commissioner for Hunan.
2.—Executive Yuan appointed General Hsu Yung-chang, retired Chairman of Shansi, Bandit-Suppression Commander of Shansi.
2.—The new Japanese Consul-General for Tientsin assumed office.
3.—Foreign Affairs Commissioner for Kwangtung, Kan Chieh-hou, denied Japanese rumors that the Southwest authorities had declared war on the National Government.
3.—Japanese Commander Gen. Tashiro summoned military conference at Tientsin.
3.—National Government promulgated provisional regulations governming the punishment of opium-smoking.
4.—General Chiang Kai-shek promoted organization of the People's Economic Reconstruction Committee in Nanking.
5.—Chao Tai-wen assumed office as Chairman of Shansi.
7.—Kwangsi troops occupied Yungchow in Hunan.
8.—General Pai Chung-hsi inspected Kwangsi forces stationed in Kwangsi-Hunan border. Two more Kwangsi divissions arrived at Pingchow in Hunan.
8.—General Chaing Kai-shek scouted rumors of hostile movements of Liang-Kwang military authorities against the Central Government.
9.—Liang-Kwang military authorities issued order of mobilization.
9.—General Chiang Kai-shek urged General Chen Chi-tang to send responsible delegates to Nanking to discuss the situation.
9.—Gen. Pan Yi-chi, chief secretary of the 4th Group Army of Kwangsi, left for Dairen and Changchun.
10.—Standing Committee of the C. E. C. decided to hold 2nd Plenary Session of the C. E. C. July 12 to cope with the southwest situation.
10.—Southwest Armies pushed to Hengchow, Hunan.
10.—General Chiang Kai-shek again wired General Chen Chi-tang, urging him to withdraw Kwangtung troops from Hunan border.
11.—Southwest leaders, replying to General Chiang's telegram, declared that they were determined to resist Japanese aggressions.
11.—Southwest troops continued to press toward Hengchow.
11.—Dr. W. W. Yen, Chinese Ambassador to Soviet Russia, returned to China, arriving at Shanghai.
12.—Japanese papers reported that Liang-Kwang authorities had formed a National Salvation Government.
14.—Chang Tai-yen, noted Chinese scholar, died at Soochow.

VIEW OF INTERIOR OF JAPANESE BARRACKS IN SHANGHAI—PHOTOGRAPHER WHO TOOK PICTURE WAS EXECUTED

The picture reproduced herewith is from the "Chicago Tribune" of Nov. 28, which described it as one of the few pictures ever taken of the inside of the modern Japanese barracks in the Hongkew Extension area of the Shanghai International Settlement. This is one of a series of pictures snapped by an exiled Japanese, who risked his life each time he clicked the shutter of the concealed camera he carried. Ultimately this man was executed by a firing squad after he was arrested by military police while attempting to add yet another forbidden scene to others already snapped. The negatives for the photographs were found in his home in Shanghai."

The photographer had lost his citizenship after being convicted of a political crime in Tokio. With his wife and children he escaped to China after serving a prison term. At the same time he swore vengeance against his enemies. His first opportunity to strike came with the establishment of a strong Japanese detachment in the Hongkew district of Shanghai after the "incident" in 1932, during which Japanese warships and troops shelled the Chapei or Chinese district of the city from January until March before the Chinese 19th route army was defeated. The exile vowed to expose to the world the methods used by his countrymen to force their way into China. The most effective method, he decided, was to obtain pictures showing the armed forces in action.

His efforts to make the photographs were thwarted, however, until last year, when he obtained a miniature camera. This he was able to conceal in the waistband of his trousers in such a way that he was able to aim the camera accurately without taking a direct sight. Other pictures which "The Tribune" printed were among the shots made from this hidden camera during last July, August, and September. They show that the Japanese infantry and marines now stationed here are superbly equipped with the most modern of war weapons in armored cars and light and heavy tanks. American army officers who have seen these photographs say that the Shanghai units have grown to the size of a formidable expeditionary force. It now constitutes, they say, the strongest Japanese post south of Manchukuo, the puppet kingdom controlled by the Japanese.



15.—Students in Peiping and Canton paraded in demonstration against increase of Japanese troops in North China.

15.—Japanese Consul-General at Canton protested to the Canton authorities against the anti-Japanese movement in Kwangtung.

16.—Representatives of National Government and the Liang-Kwang authorities met at Henghcow to discuss the situation.

16.—Canton authorities replied to Japanese protest, saying that anti-Japanese activities in Kwangtung could not be suppressed.

17.—National Government decided to accord state burial to the late Hu Han-min.

17.—Central Political Council approved of the institution of an income tax.

18.—General Chang Chih-chung, acting Chairman of Chahar, assumed his new post as Mayor of Tientsin.

19.—Kwangsi forces continued to push further into Hunan and rumors of war between Southwest and Nanking were gaining circulation.

20.—General Sung Cheh-yuan and General Han Fu-chu met on Shantung-Hopei border to discuss their attitude toward the Southwest Crisis.

20.—Attempt made on life of the notorious bandit leader, Liu Kwei-tang, at Tientsin, but he escaped serious injury.

21.—Generals Sung Cheh-yuan and Han Fu-chu issued joint telegram, pleading for peace between Southwest and Nanking.

21.—General Liu Ju-ming assumed chairmanship of Chahar Provincial Government, succeeding General Chang Chih-chung.

22.—Liang-Kwang military authorities organised independent Military Affairs Commission with General Chen Chi-tang as Chairman and General Li Tsung-jen Vice-Chairman.

22.—New Japanese Ambassador, S. Kawagoe arrived at Shanghai.

22.—Sir Frederick Leith-Ross issued farewell message.

23.—General Chen Chi-tang assumed the post of Commander-in-Chief of the First Group Army of the Anti-Japanese National Salvation Army.

23.—Sir Frederick Leith-Ross departed from Shanghai for England.

26.—Chinese athletic delegates to the World Olympics in Berlin sailed abroad.

27.—Japanese soliders assaulted and injured a stable—man of the the 29th Army at Fengtai and detained the horse. They protested to the Chinese authorities against this incident.

27.—A Japanese destroyer arrived at Tangku to watch movements of Chinese customs vessels engaged in anti-smuggling work.

28.—Prince Teh and other Mongol leaders formed independent government of Inner Mongolia.

29.—The new French Ambassador arrived at Shanghai.

30.—Generals Sung Cheh-yuan and Han Fu-chu issued joint statement, urging peace and national solidarity and denying the rumor of organization of the Northern Five-Province Peace Preservation Force.

(To be concluded next week)

The Year 1937

BY C. Y. W. MENG 孟長泳

THE year 1936 has gone. This year has been described as the most "critical year." Japan said so, and other nations also said so. But, at any rate, the year has passed without witnessing any major disturbances and warfare, as predicted.

The year 1937 has now come to us. Will this year be another "critical year?" Will the passing of the year 1936 mean the passing of the crisis? Will the year 1937 open a new era in the history of mankind in bringing happiness and prosperity to all? Has the crisis which was predicted to happen in 1936 been averted or simply postponed to the year 1937?

Turning to the situation in the Far East, the year 1936 has gone by without witnessing the outbreak of a Sino-Japanese War. Will this mean that the war of 1936 has been averted or simply postponed to 1937?

In celebrating our New Year's Eve, and in welcoming our New Year, all these questions have come before our mind, and we will not feel comfortable unless some solutions are found to settle the many pending problems which the year 1936 did not solve.

The Spanish Revolution

First of all, we have the Spanish revolution, which should have been only Spain's own domestic problem, but which has now assumed a most serious aspect. It is not a revolution, but a world conflict. It is not a civil war, but virtually an international war. On the one hand, the Fascist powers unite themselves in the drive on Madrid; and on the other, the communist and communist-inclined powers openly help the Loyalists in their defence against the rebellion. According to the report from *L'Oeuvre* no less than 85,000 alien troops are aiding the Spanish rebels.

Indeed, with the steady advance of General Franco's forces, European tension over Spain threatens to reach the breaking point. On October 22, when President Azana transferred some government offices from Madrid to Barcelona, Moscow indicated that it would continue to recognize the Loyalists as Spain's legitimate government even if the rebels occupied Madrid. This decision was emphasized by the appointment of Vladimir Antonov-Ovseenko —a military expert who had organized the resistance of Petrograd workers against White forces in 1917—as Soviet Consul-Genreal in Barcelona. The danger of an international conflict would be materially increased if two rival governments—one at Madrid and one at Barcelona—should openly call on foreign powers for recognition and armed assistance.

On October 23, Portugal broke off diplomatic relations with the Madrid government, alleging in a 21-page memorandum that the Third International, with the support of the Spanish Popular Front, had plotted to establish communism throughout the Iberian Peninsula. At a stormy meeting of the non-intervention committee on November 12, Signor Grandi, Italian Ambassador in London, accused Stalin of intervening in the Spanish civil war, and declared that Italy accepted the challenge of communism.

As a result of the sinking of the Soviet freighter *Komsomoal* by the Spanish nationalist warship, 8 Soviet Russian submarines, 3 torpedo-boats and 2 destroyers left Odessa for the Mediterranean. This incident together with others are the sparks that would set the whole conflagration going.

Huge National Budget for What?—For Armament Race!

The year 1936 has also witnessed the big increase of the national budgets for every nation, imposing many burdens on the finance ministers, and resulting only in heavy tax burdens—already heavy enough—which mostly fall on the miserable farmers! These national revenues are not used for any constructive purposes, but almost, in every nation, half of it goes to armaments under the name of "national defence."

For example: The budget, amounting to 2,112,133,482 yen, was the largest budget in the history of Japan; 45 percent of the state revenue went to military expenditures. The new British program—which calls for an expenditure in 1936-7 of almost £200,000,000—is Britain's largest "military budget" in peace time history. The French Chamber of Deputies on December 18 adopted the 1937 Budget, which provides for expenses amounting to Fcs. 48,200,000,000, and receipts of Fcs. 43,700,000,000., thus leaving a deficit of Fcs. 4,500,000,000. The budget was described by the former finance minister, M. Paul Reynand, as "the largest in the history of France!"

If President Roosevelt gives his approval, the construction of two new U.S. battleships will begin early next year; each will cost $55,000,000. In addition, a draft of the projected industrial mobilization indicates that the U.S., in the event of war, would promptly take control of foreign and territorial commerce by handing shipments of all basic staples as well as arms and ammunition.

Henry Woodring, Secretary of War, in the annual report of the War Department, has asked an increase in the strength of the reserve army and the national guard, which would reach 150,000 and 210,000 men respectively; and the construction of new aeroplanes. He also requested that 2,000 new officers be provided for the regular army; 10,000 new officers for the reserve army. This would bring the full establishment to 180,000 officers and men by June 30, 1937. He further asked for 2,320 pursuit planes and 700 military aeroplanes in 1937 instead of 500, which are called for by the 1936 program. "Europe has become covered with a forest of bayonets. The world spent over Fcs. 200,000,000,000 on armaments during the past year," declared the Vice-Premier and the Minister of National Defence, M. Edouard Daldier, at the meeting of the French Radical Socialist Party's Executive Committee.

In the past years, we have witnessed a world-wide business depression, when every nation is economically very "hard-up." But the fact that every nation is willing to spend huge sums on armaments—which are entirely non-productive—convinces us that every nation is preparing for war!

Secret Diplomacy, Alliance, etc., Again the Order of the Day

When every nation is preparing for war, there is no doubt that the nations have again resorted to secret diplomacy, alliances, etc., which were so characteristic in the days just before the World War.

The year 1936 has witnessed the signing of "Franco-Soviet Mutual Assistance Pact" which has proved most irksome to the Reich. We have heard of the "Italo-German Accord," which provides for collaboration of the countries in all matters affecting peace and their "parallel interests;" defence of European civilization against communism; economic cooperation in the Danubian region within the framework of the Rome protocols and the Austro-German accord of July 11; conclusion of a new Locarno pact strictly confined to Western Europe; German recognition of Italy's Ethiopian empire, in return for which Germany is to receive economic concessions in Ethiopia, etc. In the Far East, we have also heard about the "German-Japanese Alliance," "Italian-Japanese Pact", etc.

While it may be only after many years that the exact and full texts of these pacts will be revealed, yet it is safe to say that the many secret alliances and secret pacts have done nothing good to humanity, but instead have created "suspicion," "jealousy," "uneasiness" and "tension" among the powers—which are one of the causes of war.

No Peace Talks, But Instead War Preparations

It is also strange to note that the year 1936 has ended with no "peace talks," nor "peace plan", but only many "war talks." There is apparently lack of effort and co-operation among the powers to save the world from another disaster. The League of Nations, which is the peace-perservation organ, after failing to stop the Japanese aggression in Manchuria, has died a natural death. So far no attempt has been made to resurrect it and to have it live up to the purpose for which it was created.

L'Oeuvre reports that Germany is taking measures indicative of preparing for war. It quotes certain reliable London reports as stating that the Reich is accumulating large stocks of Argentine wheat, analogous to that pursued in 1914 just before the outbreak of the World War. It further states that it has received information from Berlin that a submarine base is being constructed on Heligoland, and in fact is now almost completed, while large quantities of materials have been transported to the island. In addition, a large German hydroplane base has just been completed on Nordeney Island. In the Rhineland, it is further reported that the transportation of troops has been affected secretly by night, etc. There are many other alarming reports of this kind, which only keep us in a state of uneasiness.

No More International Justice

But in the midst of our despair and disappointments, there are other things which make us still more disappointed. That is, the foreign powers, who really hold the key to the world situation, and who could have done much to preserve world peace, have either still remained aloof, or—sad to relate—have bowed down before the aggressors. In the year which has come to us, there is one sad outlook in the international situation. That is: The foreign powers have proved to be too cowardly before the aggressors, and they are too ready to destroy their national prestige and to talk "terms" with the aggressors. Throughout these years which have been characterized by aggression, conquest and annexation of other territories, there is not a single power which dares to take more dignified actions to stand for justice and to uphold the sanctity of international agreements. There is not a single sign of co-operation among the powers to stop the aggression, but there is every sign of giving assistance—material or moral—, and due recognition—express or implied, de jure or de facto—to the aggressors. All these actions tend only to aggravate the whole situation, and encourage the aggressors to be more aggressive than ever before, and urge other powers to engage in more "territorial adventures" as well. The failure of the League of Nations to stop the Japanese aggression in Manchuria in 1931—which is entirely due to the British fault in adopting a policy of "riding on the fence" or a policy of "friendly to both (China and Japan)", and which has created a "dangerous precedent"—is already disastrous enough, and the subsequent actions taken by some other powers have made the situation go from bad to worse.

Formerly, there were some talks about "sanctions" against the aggressors, though such had never been effectively enforced, but today, even such talks are conspicuously absent. Formerly, the United States, through her famous "Stimson Non-Recognition

Doctrine", announced that she would not recognize "any situation created by military force," but today, "authorative sources state that the United States is sending a consul to Addis Ababa in the near future". Formerly, the British and French Governments supported the sanctions to oppose Italy, but today, "both Great Britain and France have informed the Italian Government that they have decided to convert their respective legations in Addis Ababa into consulates-general." It is a turn for the worse to the victims of the aggression, but it is a turn for good to the aggressors! A dangerous precedent once created will be immediately followed in other places. Japan is sure to demand the change of the status of foreign consulates in Manchuria (Manchukuo). The Chinese could not but, after expressing many disappointments, conlcude that no power will stand for international justice today but all powers have "bowed down" before the aggressors! The American, British and French governments might continue to explain that "their action has no bearing on the question of recognition of the conquest of Abyssinia," but they could never convince the Chinese. To the Chinese, such actions amount to de jure recognition of the situation "created by military force"; such actions constitute a great encouragement to the aggressors, such actions are "spurs" to urge other powers to go on with territorial adventures, and such action are inconsistent with the maintenance of world peace. Great Britain is indeed too selfish to buy a "Gentlemen Pact" with Italy at the expense of the victim.

America's "Regionalism", "Selfishness" and "Contradication"

Recently, under the leadership of the U.S., a Pan-American Peace Pact was signed by 21 nations at Buenos Aires. Indeed, it is true that so far the American Continent is concerned, it is saved due to the Good Neighbor Policy. But the Chinese could not but doubt that these achievements would be deceptive unless it recognizes also the political and economic bonds which join the nations of the Western Hemisphere to the rest of the world. The Chinese also wonder very much why the Americans did not make use of their efforts by calling another disarmament conference and another conference on Far Eastern Problems. It is the conviction of the Chinese that unless the other parts of the world are made safe, the Americans will not be able to maintain peace. That the Americans called only a Pan-American conference, but not another world conference, indicates that some of the world powers are too selfish, and that the "Wilsonism" doctrine no longer prevails, but instead "regionalism" is to the fore in America today.

But it is interesting to note that on one hand, America wants to maintain the traditional Monroe Doctrine not to drift toward war in Europe; but on the other, America had just signed the Tripartite Monetary Agreement with Great Britain and France. That shows again that the Americans always "contradict" themselves, and that the Americans could not claim that they could "get out" of the European affairs by shutting their doors. In fact, the failure on the part of the Americans to take more dignificd action in world politics has only aggravated the situation. We, the Chinese, all are disappointed that the Americans in the past have been too "indifferent" over the situation in the Far East.

The Dictators' Present Policy

Thirdly, another disturbing factor in world peace is the present policy of the dictators. Due to the economic depression and many pressing problems, it has always been the policy of the dictators to purposely take up some "adventure" in order to divert the attention of the people in the country, and to avert a crisis at home. It is an open secret that the "Manchurian adventure" was taken up just to avert an agrarian revolution in Japan. So with the "March to the Rhineland" and the "Abyssinian Campaign." Such policy is quite inconsistent with the maintenance of world peace. This must be changed.

Sino-Japanese War Not Averted But Postponed—Japanese Prefer Spring Time

Today, we see that all is "quiet" on the front in Suiyuan, and that the Japanese sailors have been withdrawn from Tsingtao. But we must not feel too happy over these events. The *Shun Pao* on December 10 carried a report which it claimed had "leaked out" from the Japanese quarters in Tientsin to the effect that as a result of the decisions of the high Tokyo officials, instructions have been issued to the Japanese military organs in North China to refrain from developing the Suiyuan and Tsingtao incidents, but to settle them locally, if such solution is not "a loss to the Japanese face." The same despatch continued that the Japanese first step in Suiyuan is to develop and strengthen the Mongolian and rebel organization, and to launch the attacks until everything has cooled down and when the Chinese are not prepared for them. According to the despatch, accordingly, the Japanese military headquarters sent a chief-of-staff to Tsingtao to convey such instructions to the Japanese military attache there. This explains why the Japanese sailors in Tsingtao were withdrawn, and why all is quiet on the Suiyuan front. But the underneath reason is that the weather in North China is too cold for the invaders. They like the spring-time!

The "Crisis" of 1936 Not Averted, But Postoned to 1937

In the years in the past, we have witnessed many wonderful inventions by the scientists in making many deadly fighting weapons for killing human beings. In the year 1937, we will probably see more inventions to come, when the clumsy tanks could fly in the air, and the huge battleships could be operated on land just as well as in water, to bring more terrible havoc to humanity, and when rifles will be out of use. The scientists have indeed made a big contribution to the science of warfare in inventing more methods of killing fellow-beings, but they have apparently failed to serve humanity in many other ways. They even could not produce more effective apparatus to enable the deaf to hear and the blind to see. To sum up, we conclude that the crisis of 1936 is not averted but is simply carried over to the account of 1937. So this year comes to us with many "bad omens." It is because in the year 1936, the crisis was only in the making; but in 1937 the bomb will probably explode.

Nanking, December 26, 1936.

Defense Expansion Program in Philippines Strengthens U.S. Military Power

Citing a potential Japanese threat to envelop the Philippines in the course of economic expansion to the southward, the Foreign Policy Association, New York research body, Dec. 20 asserted in its latest fortnightly report that the real object of the Islands' new defense expansion program is to strengthen the military power of the United States in the western Pacific in the event of war with Japan.

The plans worked out by General Douglas MacArthur, now acting as supreme military adviser to the Philippine Commonwealth, call for a standing army of 20,000 men backed by 500,000 reservists. If war occurs, the report said, this force could divert enough Japanese troops to the Islands to facilitate American naval operations against Japan via the Aleutians.

The militarization program was also cited by the report as evidence of "what amounts to a covert conspiracy to keep the United States in the Islands." Most interests, the Foreign Policy Association asserted, are working against American withdrawal because the menace caused by Japan's incipient commercial expansion toward the Equator is "indeed great."

The report said the United States might seek to protect the Philippines' integrity through collective guarantees by Britain, France, China and the Netherlands, possibly involving joint sanctions in the event of an attack on the islands.

At the same time, however, it is a "reasonable hypothesis," said the report, that the United States may develop a first-class naval base in the Philippines after the impending expiration of the non-fortification provisions of the Washington treaty.

As a result of combined military and naval preparations, the report declared, "If war comes, the Islands might then be held for the time being, the Philippine and American forces immobilizing sufficient Japanese strength to facilitate naval operations against Japan in the north by way of the Aleutians."

The report further described President Manuel L. Quezon's first year at the helm of the Commonwealth as "a legal dictatorship" and asserted that General MacAdrthur's conscription plan for the Islands will be a powerful weapon in the President's hands if he deems it necessary to use armed force in quelling unrest caused by his dictatorial methods.

"Unless a statesmanlike policy is pursued prior to independence," the report warned, "the United States may be forced by the breakdown of the Commonwealth Government to intervene under the terms of the independence act."

In order to diminish these hazards, the report recommended that President Roosevelt convene an economic conference in the near future to correct "imperfections or inequalities" in the trade provisions of the independence act.

Dr. Franklin Ho Urges Equal Development of Agriculture and Industry

Equal emphasis should be laid on agriculture and industry for China's future economic development, declared Dr. Franklin L. Ho, noted economist and Director of the Political Affairs Department of the Executive Yuan, in the course of a recent speech on "China's Economic Development" at the University of Nanking.

Agriculture and industry, Dr. Ho explained, are closely related and should therefore be promoted side by side in order to expedite China's economic development.

Agricultural development, in the opinion of the eminent economist, lies in the improvement of the production, distribution and marketing of farm products and the readjustment of rural finances, while industrial development should be undertaken under three categories: promotion of heavy industries, light industries and handicrafts.

Heavy industries, which are of paramount importance to national defence, Dr. Ho suggested, should be placed in charge of the government. Light industries may be left to the people. Meanwhile, handicrafts which still play an important part in China's economic development should also be promoted.

My New Year Resolution

BY T. S. YOUNG

I believe every one, for self-contentment, has, at one time or other, made some resolutions either for the attainment of some objectives or for making some sort of self-reformation. Human nature, however, is very frail. A person, at the impulse of the moment, may be sincere enough to make some resolutions from the boycotting of enemy's goods to the limiting of his daily expenses to ten coppers; but when the impulse is gone, he often finds neither courage nor tenacity to stick to his resolutions. I do not say that there are no resolute persons, but resolute persons are as scarce as the morning stars. Seldom have I heard of a person who has made a resolution and can stand by it throughout his whole life. If we are all resolute persons, our dear neighbor would long ago have been faced with a very grave economic crisis, inasmuch as many of us have made the resolution not to buy our enemy's goods.

I know many an opium-addict, who, after many years of being an abject slave to the drug, has resolved to part company with his opium-pipe and its paraphernalia, but can not succeed in removing his habit even though he has gone so far as to break up his opium-pipe. I know many a drunkard, who, after having passed half of his life in intoxication, has resolved to lead a temperate life, but, after a few days of comparative soberness, has died a drunkard. I know many a henpecked husband, who, after having always been a servile subject of the petticoat government, has resolved to exert his authority over his domestic kingdom, but has not had the courage to practise his resolution in the presence of his termagant wife. And I know many a miser, who, after having never "plucked one of his hairs to benefit the universe", has resolved to become a philanthrophist, but has pulled his purse-strings tighter at the sight of his money.

I also know many a profligate son, who, in the presence of his parents, has been repeatedly resolved to go straightforward, but has caused the death of his parents and the ruination of his home. I also know many a robber, who, in the presence of a magistrate, has been repeatedly resolved to reform himself, but has ended his career either in the prison or on the gallows. And I also know many a bandit-warlord, who, in the public pronouncements, has repeatedly resolved to fight our enemy for the recovery of our lost territory, but has persistently stood in the way of national unification and precipitated the country into ruinous civil strifes under the guise of patriotic motives.

A Good Old Landlady

It reminds me of my good old landlady, with whom I stayed while I was studying. On every New Year day, she would summon her only son to her and asked him to make some resolutions. The boy was hardly eight years old, and as such an age, he naturally could not be expected to know anything beyond playing and eating. Nevertheless, under the tutorship of my landlady, he would say that he was resolved to be a Santa Claus to bring his mama a big bagful of presents, that he had resolved to be a Charlie Chaplin, that he had resolved to be a President of the United States, etc. My landlady always told me of her son's New Year resolutions and seemed to be over-pleased with them, although she knew herself that these were nothing but empty talk. Even to the present, she has written to me informing me what sort of resolution her son has made on New Year day.

I attend a Stag Party the other day. As a sort of entertainment, every person present was required to make a resolution for the coming New Year. It was also agreed that periodical investigations should be made on the resolution-makers to ascertain how true they would keep to their respective resolutions, and that a prize (the nature of which was not disclosed) would be given to every successive resolution-maker by the end of the next year. Every one present was very enthusiastic over this prize-contest and made a resolution. One said that he would get rid of his smoking habit. Another said that he would not play mah-jongg any more. A third said that he would get up very early and never be late at his office. A fourth said that he would never tell a lie to his wife. And so on.

I hate to make any resolution, for I know I have neither courage nor tenacity to act upon it. I may say I am resolved to get rid of my smoking habit, but from smoking I derive some real pleasure which I can not afford to forego by any means. I may say I will not play mah-jongg any more, but mah-jongg gives me recreation and enjoyment, which I can not find from any other games. I may say I am determined to be an early riser, but why should I sacrifice may sleep when my dreams are much more pleasant than my real life? And I may also say I will speak nothing but truth to my wife, but for the sake of domestic harmony, I deem it a policy of diplomacy to conceal always something from my wife. If I have to make any resolution, I must choose the one, which will be easy to keep, and which, meantime, will not make me forego any object, from which I can draw pleasure and enjoyment. After long deliberation, I made this resolution: that I would try to master the art of flattery and also the art of "blowing one's horn".

This resolution may sound very absurd; but I call it a very good resolution, for I am convinced that any one who comes to this world can not become a successful man, unless he can master these two arts. It is really too bad that the big universities, where the learned professors teach young students almost anything from the measuring of the distance between the Sun and the earth to the baking of a delicious pie, are not able to offer courses on these two fine arts, the knowledge of which will give young students a key to open up a successful career either in officialdom, or in the business world, or in any spheres of activities. I am sure that college education would not be such a failure and college graduates would not be left thus unemployed, if the students could only spend a fraction of their school time in studying these two arts. As a matter of fact, the knowledge of these two arts is far more practical than college education, far more useful than Malthus' law and Einstein's theories, and far more serviceable than academic degrees.

Only a very few persons can successfully master these two fine arts. Take the art of flattery for instance. It seems to be easy enough to flatter anybody. Even the beggars in the street know how to gain favor by calling a pedestrain, "great master", "prosperous master", and "benevolent master"; but any one who is accosted with such hackneyed names will invariably feel the stings of flattery and fortify oneself against appeals for assistance. A skillful flatterer can offer his adulation in such a subtle manner that the flattered, no matter now sensible he is, will not perceive its thrusts. He must be a psychologist, he must study carefully the weak spots of each individual, and he must act at the most opportune moment. Human minds are as different as their faces. Though every one likes to be flattered, yet what constistutes a compliment to the one may be a repugnance to the other. Therefore, a successful flatterer must use different tactics to assail different hearts.

"To Pat a Horse's Buttock"

The Chinese have seldom used the word "flatter" in their daily conversations. They prefer to call it "to pat a horse's buttock". I like this expression both because of its humor and because of its expressiveness. It denotes that in flattering anybody, one must first be sure to locate the "buttock"; for if one misjudges the spot and strikes the "legs" instead, one is liable to be kicked by the "horse". Thus we illustrate a person whose flattery has been spurned by saying, "He has struck a horse's legs instead of patting its buttock". Only a consummate flatterer can "pat a horse's buttock" at the right spot, while a great many others who are not acquainted with this art are apt to strike its legs.

"To blow one's horn" is also a fine art which can be mastered by a very limited few. Many persons, with their faces turning red and their veins all swelled up, try to "blow their horns", but can not produce any harmonious notes to arrest the attention of a passer-by; while a very few can play their "horns" with such a consummate skill that the music produced can draw a vast crowd around him. The success of a "horn-blower" lies in the fact that nobody suspects that he is an empty drum. The good-natured people will unsuspectingly take him for a great scholar, or an eminent economist, or a talented political leader, or at least a gifted speaker. As such, he can usually command the public respect and admiration, and exploit the public ignorance for his own benefit. Many a man has ascended to the top of a ladder by merely "blowing his horn". It is truly remarkable that in this world one can beat his empty drum all the way from a street corner to the Hall of Fame.

I have always admired the persons who can make a great show of his knowledge on a subject, with which he is scarcely acquainted. A person who has never set his foot on the Russian soil, can give a long discourse on the wonderful achievements made by Soviet Russia. Another person, who has never received any military training, can write a long treatise on the stratagems which China should adopt in case of a war with our enemy. And a third person, who has not had the slightest knowledge of river conservancy, can draw up a program to "tame" the Yellow River. We are naive enough to take for granted anything said by the so-called scholars, for we believe in our old saying that "a scholar, without going out of his house, can know anything and everything on this universe". Thus a "horn-blower", in the guise of a scholar, can always play his game with notable success.

I believe if I can master these two fine arts, I shall have not have any difficulty in finding a gold "rice bowl". With this belief, I hope I shall have sufficient courage and tenacity to stick to my New Year resolution, that I may before long find a "rice bowl" made of hard metal, if not of gold, to substitute for my present porcelain one, which can be easily shattered to pieces.

Tientsin Cotton Imposts Drive Trade to Tsingtao

Raw cotton produced in North China may henceforth be exported from Tsingtao instead of Tientsin on account of the imposition of an additional testing fee by the Bureau for Testing and Examination of Commercial Commodities in the port city, it is learned from the cotton exporters in Tientsin. The recent petition of local cotton merchants asking for the abolition of the extra testing fee is still under the consideration of the Bureau. At present 70,000 bales of cotton are awaiting the examination by the Bureau.

Soviets Place Large War Orders in U.S. and Great Britain

Details were published in Moscow, Dec. 23 of several big orders placed abroad in connection field of war industry. The trading company "Amtorg" for instance has ordeded chemicals in the United States to the value of 400,000 U. S. Dollars. Another deal with America gives a Brooklyn firm, Caer and Company, the authority to erect a factory in Soviet Russia for the annual production of millions of pairs of winter gloves for the Red Army. It was also stated that the Soviet trade representative in London is seeking to place big orders on the English market outside the scope of the £10,000,000. The Soviet Russian apparently propose to pay one-third in cash, one-third with Russia raw materials and the balance with 12 to 18 months drafts. It is asserted that these supplementary orders in England to the value of £2,000,000 are exclusively for plants and installations in connection with the Soviet armament program.

Four Soviet Officials in Orenburg Found Guilty of Sabotage

Another sabotage trial, this time involving four high railway officials, was opened in Moscow last week. Among the accused was Vladimir Ryabokon, formerly Minister of Railways in the Ukrainian Government. The four men were charged with wrecking and sabotage, resulting in serious breakdowns of the Soviet railways.

Four of the highest railway officials in Orenburg, the chief town on the Ural Railway and the Orenburg-Tashkent railway, in South-Eastern Russia, were found guilty Dec. 26 of the charge of wrecking and sabotage, resulting in serious breakdowns on the Soviet railways. They were sentenced to terms of imprisonment ranging from a year to ten years and also ordered to be deprived of their civil rights.

Japanese Compromise in Fisheries Dispute

Moving to avert an open break with Moscow over the question of Japanese fishing in Russian territorial waters, Hachiro Arita, the Foreign Minister, Dec. 23 telegraphed Mr. Shigemitsu, Japanese Ambassador in Moscow, to accept the Soviet proposal for a third temporary extension to the existing protocol concluded in 1932.

Soviet Purchasing Agents Buy Tung Oil Seeds in the United States

A purchasing mission from the Soviet Union is in the United States buying up forty tons of tung (wook oil) plant seed with which the Soviets hope to increase their production of the tung plant. The U. S. Department of Commerce reports that the Soviet Union has purchased 66 tons of tung plant seeds during the past three years, a quantity sufficient to place 100,000 acres under cultivation. The purchases were believed to indicate that the Soviet union is preparing to compete with Chinese and Manchurian tung oil producers.

Soviet Ice-Breaker Abandoned in Kara Sea

The Soviet ice-breaker *Sibiriakou*, the so-called "pride of the northern sea route," has been abandoned off the ice-locked Arctic island of Novaya Zemlya, in the Kara Sea. Four salvaging ice-breakers have rescued the entire crew.

Congress of Wives of Officers Convenes in Moscow

The congress of the "Wives of Officers in the Red Army" which is being held in Moscow is regarded by the Soviet press as an event of special importance. In receiving a delegation of officers' wives War Commissary Voroshilov pointed out the necessity for this Congress. The Moscow press declared that the women constitute a valuable reserve since thousands of them have learnt to drive armored cars and lorries and are also well acquainted with the methods for organizing air defense. The congress is characterized by pledges of allegiance to the Soviet Union and Stalin, one delegation of wives declaring "We are the happiest wives in the Soviet Union. We stand in the light of a shining sun and this sun is our Stalin."

Marshal Voroshilov Gives Reception to Women of Red Army

Five hundred of the most active participants of the women's movement in the Red Army, who took part in the All-Union Conference of Wives of the Commanders of the Red Army, were received on Dec. 26 by the Peoples Commissar of Defence of the U.S.S.R., Marshal of the Soviet Union, Voroshilov. Marshal Voroshilov handed out valuable presents to the women attending the reception.

Soviet Officials Must Be "Anti-God"

All officials of the Soviet Russian Commissariat of Foreign Affairs must in future adhere to the anti-God movement. This decision has been taken in consequence of an agreement reached between the Komintern, the Central Council of the Godless and the Foreign Commissariat. All persons connected with the Foreign Commissariat must in future belong to the Godless movement and those who are not yet members must join the union before Jan. 1 1937.

Chiang Kai-shek's Release Brightens Hankow's Christmas

BY THE REVIEW'S HANKOW CORRESPONDENT

"Chiang has been released!" Those magic words explained why the fire crackers were being fired off, up and down the main thoroughfares of Hankow. Newsboys yelled "Extra! Extra!" and found a ready sale for their small sheets of precious news. What everyone had expected and half feared would not take place had already become an accomplished fact. The message came through shortly before eight Christmas day evening.

Hankow's Main Streets a Wild Pandemonium

There was a natural and spontaneous movement toward the downtown streets. Parades were inaugurated and shooting of fire crackers and the wild shouting reminded one of the way Armistice Day was celebrated in 1918 in Peking. There was a sudden change of mental attitude from one of fear and ill foreboding to one of joy and hope. Now everything seemed for the moment at least easy of solution. Students, merchants, coolies all mingled in the throngs that surged up and down the streets in the native city. Motor trucks and rickshas brought the overflow of the firecracker shooting to the Special Administrative areas.

Celebrations Continue in Church, School, and Banquet Hall

Most of the churches in the Wuhan area offered up thanks to almighty God for the release of General Chiang Kai-shek. Union services were held on Sunday, Dec. 27th, in five different places of worship, two in Hankow, two in Wuchang, and one in Hanyang. At all of these special mention was made of the good news that had come through on Christmas day. Everywhere there was a feeling of profound relief that now another serious problem had reached the early stages of solution and that peace and order had again been restored in a friendly way. A huge lantern procession paraded through the streets. Gaiety and rejoicing was all but universal. Sunday morning at ten o'clock the grand celebration of the municipal authorities was held in Chung Shan Park, Hankow, and judging by the size of the crowds the meeting was a huge success.

Why Did the Young Marshal Go to Nanking?

The fact that the Young Marshal left for Nanking shortly after the Generalissimo has left everyone guessing. However, the leaders will no doubt have an explanation ready in due course. Much speculation is rife regarding the actual terms of the agreement reached at Sianfu. However, most people are so overjoyed at the apparently suddden solution of the difficulties, that they overlook the price it may have cost the Nanking government. Hankowites are happy to have the crisis over with, but they ask under their breath: "What next?" Will this set a precedent, so that any and all malcontents will seek to overthrow the Generalissimo whenever they do not get their own way? They hope that the Young Marshal will truly be repentant, in actions as well as telegrams.

Hankow Solidly Back of Chiang Kai-shek

The Chinese and foreign community are agreed that the man best fitted to carry out the most liberal policy for the Chinese people at the present time is the Generalissimo. Even though some blame naturally attaches to him for the Sian revolt, yet the rank and file of the citizenry here are willing to give him loyal support in any reasonable policies he may seek to put across. One does hear a warning voice occasionally among the city elders to the effect that too much confidence should not be placed in force of arms and that it would be well for the Generalissimo as well as for the Young Marshal not to imitate too closely the programs of Mussolini and Hitler. Hints on the advisability of developing constitutional government are not uncommon.

Will General Ho Chen-chun Be Hupeh's Next Governor?

One of the upsets of the national crisis is the refusal of General Huang Shao-hsiung to accept the governorship of Hupeh province, which has gone begging since the assassination of the late Governor Yang Yung-tai, daring and with a flare for modernizing ancient Chinese cities. These and kindred subjects may have been discussed with General Ho Chien during his recent visit to Wuchang during the captivity of General Chiang Kai-shek. Later General Ho Chen-chun left with his assistant General Hsu Yuan-chuan for Nanking to discuss the affairs of Hupeh province with the governmental authorities. Apparently he has pulled the right wires and will become the next Governor of the province, whose Pacification Commissioner he has been for some time past. He is very familiar with the affairs of the province and should have qualifications for making a good chairman.

Hankow, December 28, 1936.

Seventieth Session of Japanese Diet Convened—Fighting Services of Island Empire to Get Almost Billion and-a-Half Yen

Parliamentarians of Japan Dec. 24 passed through the imposing bronze portals of the new Yen 28,000,000 national capitol in Tokyo in response to an Imperial decree convoking the seventieth session of the Diet. The occasion was doubly memorable, for aside from being housed in a permanent stone and steel edifice for the first time in its 46 years' history, the Japanese Parliament prepared to battle the joint forces of bureaucracy and militarism in a struggle that may spell the doom of democratic institutions in the country.

Emperor Hirohito officially proclaimed this crucial session open at 11 a.m. Dec. 26, when he delivered a message before the assembled members of both Houses. Actual business will not be begun until late in January. Slated for discussion will be the record Yen 3,200,000,000 budget; a drastic plan for tax reform, resulting in an all-around increase; a bill for the nationalization of the electric power industry and other "reform" measures sponsored by the Hirota Cabinet in keeping with the pledges for a "New Deal" made at the time of its formation in the aftermath of the military rebellion of Feb. 26.

The Government will be the target of a spirited attack by all parties, not only regarding various internal issues, but in relation to its failures in diplomacy. Major among these foreign questions will be the deadlock between Japan and China; the increasingly difficult relations with the Soviet Union and the conclusion of an anti-Comintern pact with Germany, which, in the opinion of many Japanese was a major blunder in that it classified Japan as a member of the Fascist bloc of nations and gave rise to misgivings in the United States and Great Britain.

Fighting Services to Receive Yen 1,409,618,000

The fighting services of Japan will receive Yen 1,409,618,000 or 46.3 per cent of Japan's record budgetary expenditures of Yen 3,038,581,000 in the 1937-38 fiscal year, the Tokyo Treasury revealed Dec. 26. The Army's share of the appropriations will total Yen 727,965,000, while the Navy will receive Yen 681,653,000. A major share of these funds will be devoted to extraordinary defensive requirements. Of the revenues, Yen 2,014,997,000 will come from ordinary channels, while Yen 1,023,584,000 will be derived from special imposts. Of the expenditures, Yen 1,700,910,000 will be devoted to ordinary needs and Yen 1,337,671,000 to extraordinary requirements.

The Army's greatest single item of expenditure; Yen 269,613,000, will be for expenses in Manchuria. The strengthening air defence will cost Japan Yen 67,303,000, while improvement in armaments will cost Yen 24,741,000. The purchases of war effectives will cost a further Yen 40,000,000.

The Navy's major new expense will be in connection with the construction of new vessels, Yen 60,757,000; expansion and improvement of land and sea establishment, Yen 57,567,000; and renovation of warships, Yen 50,038,000.

Improvement of the Navy's air branch will require Yen 26,876,000; extension of the air corps, a further Yen 9,634,000; and air defence artillery, an additional Yen 2,971,000. New expenses in Manchuria will reach Yen 10,389,000.

Of the huge sums to be spent by the Government next year for new national policies, Yen 692,197,000 will be earmarked for national defence. Educational reforms will cost Yen 1,453,000, while reforms in the taxation system will cost Yen 237,192,000.

A total of Yen 54,602,000 will be earmarked in the "new national policies" column for the stabilization of the people's livelihood; an additional Yen 24,310,000 will be spent for loans to farmers and petty industrialists and merchants; while prevention of national calamities will cost Yen 20,125,000.

Promotion of industry and trade will require Yen 57,745,000; reforms in the trade system and the tariff schedule will cost Yen 12,006,000, and promotion of shipping, Yen 3,973,000.

Large sums will be spent to make Japan self-sufficient in fuel and mineral resources. A total of Yen 22,395,000 will be spent for the liquefaction of coal; Yen 1,003,000 to encourage domestic production of steel and iron; and Yen 2,822,000 to assure supply of raw material for the fibre industry. Fibre is used as a substitute for wool.

Promotion of civil aviation, also planned as a part of new policies, will require Yen 9,329,000; encouragement of immigration, Yen 4,970,000, and emigration to and investment in Manchuria, Yen 24,900,000.

Itemized, the expenditures will be as follows:

	Ordinary	Extraordinary
Imperial Household	Yen 4,500	
Foreign Office	18,255	Yen 18,013
Home Office	283,322	139,770
Finance Ministry	490,782	79,845
War Ministry	217,804	510,161
Navy Ministry	273,953	307,700
Justice Ministry	39,445	39,445
Education Ministry	133,421	13,333
Commerce & Industry	6,766	35,645
Communiciations Ministry	185,588	25,709
Overseas Affairs	2,277	22,168

(000 omitted)

Japan to Impose Higher Customs Tariff

Forecasting a raise in the Japanese tariff wall, the Tariff Investigation Committee Dec. 22 approved without modifications, a bill to be presented by the Treasury. Of the 1,610 items at present on the tariff schedule, 754 items will be subject to higher duties, while the customs levy on 210 other items will be lowered.

Japan Declines to Send Art Treasures to London

Government officials in Tokyo Dec. 23 decided to decline an informal proposal of the British Royal Academy to hold an exhibition of Japanese art in London next year. The decision was reached following a protracted discussion of ways and means to meet the Academy's request for the dispatch of about 1,200 art objects, including more than 100 national art treasures to London. In making this decision, the conferees were reportedly guided by the following two considerations: The number of national treasures in the country is small, and damage to them in transit would be irreparable; it would be impossible to obtain the necessary official permits for the dispatch abroad of such a large number of national treasures. The conferees also held that it would be more advisable to decline the invitation of the Academy than to exhibit a small number of art objects, thus giving an incomplete impression of Japanese art.

"Nichi Nichi" Says Arita to Send Goodwill Message to U.S.

A message of goodwill expounding Japan's policy of non-aggression and non-menace will be dispatched by Foreign Minister Hachiro Arita to the United States "at an opportune time," after the expiration of the Washington and London Naval Treaties on Dec. 31, the Tokyo *Nichi-Nichi* reported Dec. 23.

Earthquake on Island Near Tokyo Destroys Hundreds of Buildings

Hundreds of buildings on Niishima, one of the Ize islands south of Tokyo, were reduced to a shambles by a severe earthquake Dec. 27 at 9.15 a.m. Three persons were killed. The shocks were also felt in Tokyo, Chiba, Shizuoka and other prefectures in Central Japan. They were of sufficient violence to stop clocks.

Unofficial predictions were made this week that Mihara volcano, near Oshima Island, would soon erupt violently. Scientists, however, were silent on that prospect and the volcano at present is quiet. Reports received from Mishima Island said that temblors in that vicinity were continuing.

Japanese Trade Shows Unfavorable Balance in 1936

Japan ended 1936 with an unfavorable trade balance of Yen 133,750,000, imports totalling Yen 2,854,504,000 and exports reaching Yen 2,720,754,000, the Tokyo Ministry of Finance announced Dec. 28. When the books were closed on Christmas Day, total foreign commerce for the year amounted to Yen 5,575,258,000. Cotton textiles led the exports with Yen 470,952,000, with raw silk taking second place with Yen 377,595,000. Silk textiles were third at Yen 210,945,000. Raw cotton ranked first among the imports with a value of Yen 922,621,000, followed by wool, appraised at Yen 199,510,000. Iron at Yen 186,016,000 was third.

Another Scandal at Tokyo—Army Employee Indicted for Bribery

In the second disclosure of alleged bribery centering on ordnance contracts in a month, the Tokyo War Office Dec. 28 announced that Fumio Nishiyama, a civilian engineer in Army employ, had formally been indicted on a charge of bribery. He will be tried by court-martial. The indictment charges that defendant had received about Yen 8,000 in bribes while serving with the Army Arsenal, the Army Gunpowder Works and the Technical Bureau of the Arsenal. The case, the War Office communique said, had no relation with that of Lieut.-Gen. Tokihiko Uyemura, retired, who is alleged to have accepted Yen 42,000 in cash, Yen 3,500 in department store credit coupons, and Yen 2,200 in goods during his eight-year tenure of office as Director of the Ordnance Bureau of the Army's Ordnance Department and, later, as Director of the Arsenal Department.

American's Will Makes Japanese a Millionaire

Genji Omata, proprietor of a small shop in Singu, Wakayama Prefecture, Dec. 23 learned that he is a millionaire. Back in 1913 Mr. Omata, who then owned a 2-acre vineyard near Fresno, California, decided to return to his native land. After looking in vain for buyers, Mr. Omata, in desperation, sold his land to an American for about a half of the market price. Soon afterwards the enterprising American began to prospect for oil, and struck a gusher. He died recently, leaving behind $2,000,000 and few relatives. In his will he ordered the executors to pay an undisclosed amount of money to the Japanese who sold him the vineyard.

Japan and Australia End Trade 'War'

The trade "war" between Australia and Japan, which has been in progress since May, formally came to an end Dec. 27 with the conclueion of a new trade agreement between the two countries. The pact covers a period of 18 months and provides for the import by Australia of 102,500,000 square yards of Japanese cotton and artifical piecegoods a year in equal proportions. In return, Japan will issue permits to import 800,000 bales of Australian wool to June 30, 1938.

Both countries, under the agreement, undertake to remove special prohibitions against each other's imports. Japan also agrees to withdraw the excess duties imposed on certain Australian products. The trade "war" between the two countries began in May this year, when Australia introduced higher tariffs and a license system on certain imported commodities, such as cotton, rayon, with the avowed aim of increasing British preferences, aiding domestic manufacturers and diverting trade to "good customers."

The Japanese, who were the principal potential sufferers retaliated promptly by implementing their Trade Protection Law, which had earlier been used against Canada, when she discriminated against Japanese goods. As a result, wheat, wool and flour from Australia could be imported into Japan only under license, and certain other Australian imports were subject to an additional duty of 50 per cent. The Japanese also threatened to cut their imports of Australian wool by two-thirds and to make up one-third of the difference by buying from other producers and the other third by using artifical fibre.

Physique of Japanese Youth Deteriorating, Says Japanese Professor

Tetsuji Kata, Professor at Keio University, in article in the *Sangyo-to-Kyoiku* recently stated that a deterioration of the physical constitution of Japanese youth has been made a serious issue by the Ministry of War in connection with the problem of national defense. As a result, the establishment of a Health Ministry has been proposed as one of the items of reform in the administrative machinery. The problem is a serious one, not only from a viewpoint of national defense but also from the social, economic, educational, thought and hygienic considerations.

The principal cause for the deterioration of physical constitution, is found in the economic difficulty in the rural districts. From this consideration, an improvement of the economic condition is essential for the well being of national health. The writer argued that capitalism must be rectified, at the same time an improvement must be effected in food, clothing and habitation of the people by reducing the consumption tax as low as possible because the prevention of disease is recognized by modern medical science as more important than "medical treatment after one falls a victim. "On the other hand, said Professor Kata, the present medical system against diseases is by no means satisfactory. It must be improved by laying more emphasis on social policy. We must promote and perfect the health equipment in a broad sense of the word because the development of the Japanese race as excellent cultured people depends upon the proper development of the national health condition."

Gaimusho to Have Section of Sino-Japanese Co-operation

Creation of a section in the Bureau of Investigation charged solely with the task of promoting Sino-Japanese economic co-operation was announced by the Tokyo Foreign Office Dec. 26. Sadao Iguchi, Consul in Chicago, who has formerly served in Shanghai, will be the first head of the new section. Since the new office will be supervised by the Bureau of East Asiatic Affairs, Mr. Iguchi will hold a concurrent post in the latter Bureau. Mr. Kato, chief of the Fourth Section of the Bureau of Investigation, will act as the head of the new section. Arata Sugihara, until recently Consul in Shanghai, has been promoted to the status of a secretary and appointed to head the second section of the Bureau of Treaties. Kokoji Ototsu, Consul in Colombo and until August, 1933, Consul in Shanghai, was attached to the Bureau of Personnel.

Japanese Literati Ask Diet to Create a National Theater

Leading literati of Japan have decided to petition the current session of the Diet for the creation of a national theater. The movement for the establishment of a state theater was initiated by the Theatrical Association of Waseda University and the Dai Nippon Actors' Association.

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Situation in the South Was Little Affectd by the Kidnapping of General Chiang Kai-shek

BY THE REVIEW'S SOUTH CHINA CORRESPONDENT

WHEN, the Kwangtung-Kwangsi military alliance of last July threatened to disrupt the smooth relations between Nanking and the southern provincial government in Canton the strongest rumors then prevailed that the Southerners had the secret support of Marshal Chang Hsueh-liang and General Liu Hsiang of Szechuen. The Young Marshal was so annoyed at that time that he had to issue a long statement in Shensi denying all charges made against him of his alleged participation in the southern political intrigue.

Because of these rumors when the news of Chiang Kai-shek's predicament in Sianfu was announced last week in the South the bankers and merchants of Canton and Hongkong were most perturbed lest the Kwangsi war-lords under Generals Li Tsung-jen and Pai Chung-hsi might repeat their opposition against the Nanking Government as they did in July and August. The alarm was enhanced in a way by the sudden disruption of telegraphic communication between Wuchow (foremost Kwangsi seaport) and Canton. Within one day last week the Kwangsi government banknotes depreciated by $200 per $1,000 in their relation to Hongkong and Canton currency. But the fear of the merchants was subsequently relieved by the reassuring news from Wuchow and Kweilin (new capital of Kwangsi) that the Kwangsi military group entertained no ambition for a renewal of an opposition government. For the purpose of explaining to their Kwangtung colleagues the real attitude of Kwangsi's allegiance to Nanking, Kwangsi sent its chief-of-staff, Lieut. General Chang Ying-ming to Canton. A number of military conferences was held between the Kwangsi representative and the highest Kwangtung officials, after which Kwangsi issued a circular telegram addressed to the Nanking Government and the whole of China pledging its allegiance to the Gentral Government. Expressing its non-participation in national politics, Kwangsi suggested giving Nanking military support in the event of a Nanking-Shensi war.

General Huang Opposes Reinstatement of Communists

General Huang Hsü-chu (Chairman of the Kwangsi Provincial Government) addressed a large gathering of Government officials and students at the Chungshan Memorial Hall at Wuchow last week. He said that it was most regrettable that such a responsible leader as Chang Hsueh-liang should present such unreasonable demands to Nanking asking for an alliance with the Communists and the reorganisation of the Nanking Government. He said: "Opposition against our invaders in Manchuria and North China is undoubtedly the unanimous hope of all the people and leaders in China to-day. It is considered also practical that China should secure support of a foreign friendly power or powers if such is available. So China should not only get the assistance in this connection from Russia, but also from America and England. But it is one thing to secure military support from Russia and quite another matter when it comes to reinstating the Communist members of the Kuominta ng. Communism and the Sian Min Chu Yi each preaches a different doctrine and there is no room in China for the co-existence of both the San Min Chu Yi and Communism. The Central Government and the Kwangsi Government both worshipped the San Min Chu Yi, whereas experiments have proved that Communism is most unsuitable for the Chinese. The enormous destruction and disruption to trade and economic works in Kiangsi some years ago while the Communists were overrunning that province fully demonstrates that the Communists cannot establish a firm footing in this country.

That the Shensi rebels have had no connection with the Kwangsi militarists is also borne out by a statement issued by General Li Chi-sen, a former Military Governor of Kwangtung and veteran Kwangsi officer.

Troops from South in Readiness

Apart from the effect on the Kwangsi exchange the situation in the south remains little affected by the Shensi revolt. All news of the kidnapping of Chiang Kai-shek by the Young Marshal was permitted to be published fully in all Kwangsi and Kwangtung newspapers, although the Kwangsi authorities have taken the precaution to search all suspects among the passengers arriving from Hongkong and Canton and searching the guests staying at Wuchow hotels. So far all the Kwangsi newspapers published in the leading cities such as Wuchow, Poseh, Nanning and Kweilin have refrained from commenting on the Shensi rebellion fearing that their views might be misunderstood elsewhere. In Canton the news of Chang Hsueh-liang appointing himself Chairman of the Northwest Government was suppressed by the censors.

Unless the Shensi insurgents surrender their demands and release the Generalissimo it is expected that some divisions of Nanking troops in Kwangtung known as the 18th Nationalist Army under General Lo Cho-ying will all be transferred from the south back to Hankow. At Hankow they will wait for Nanking orders before proceeding to Shensi to take part in the war against the rebels. In the absence of the Nanking troops in Kwangtung, military affairs here will be in charge of General Yu Han-mow, the new Pacification Commissioner and successor of General Chen Chi-tang. That General Yu Han-mow will remain loyal to Chiang Kai-shek there is little room for doubt because it was mainly due to Yu's secret flight to Nanking and his troops' refusal to continue with the South-west revolt that Chen Chi-tang was forced to resign. Since the Kwangtung Government was reorganised under direct Nanking control Yu Han-mow has been working quite in harmony with the new Provincial Government Chairman, General Huang Mu-sung and the Mayor, Tseng Yang-fu, both appointees of Chiang Kai-shek.

General Lo Cho-ying and a number of Nanking officers were scheduled to leave by air for Nanking to take part in the war against the Shensi insurgents. One division of Nanking troops has arrived in Hupeh and another division is now passing Hangchow in southern Hunan en route to Hupeh. Altogether it is expected that four divisions of about 20,000 Nanking soldiers will have to leave Kwangtung. Their territory will be taken over by Cantonese under Yu Han-mow.

Within Canton City conditions remain normal. The news of Chiang Kai-shek's being made a prisoner at Sianfu was first received with considerable sceptism, because many Cantonese bankers and merchants believed that the whole affair was merely a camouflage under which is hiding important arrangements in connection with Nanking's determined preparation for war against Japan and Manchukuo in Suiyuan. For instance, some believed that it was merely an excuse for Nanking to move its armies closer to the war zone in Suiyuan via Shensi without attracting the attention of the Mongol-Manchukuoans.

The value of the Kwangtung Provincial Government banknotes early last week suffered a slight depreciation, but it has since recovered, although the strong demand for Hongkong money continues.

Chang and the Communists

In view of the various accounts explaining the reasons behind Chang Hsueh-liang's rebellion the following story given by a well informed source in Canton makes interesting reading. When Chang Hsueh-liang retreated to Peking and Tientsin in 1933 after losing the north-eastern provinces to the Japanese, relations between him and Marshal Chiang Kai-shek were most strained. In a conference which took place near Peking on a train between Chiang Kai-shek and Chang Hsueh-liang with T. V. Soong also participating, the national generalissimo made it clear that the Government was greatly dissatisfied with the Manchurian affairs, which finally led to Chang Hsueh-liang proposing a tour of Europe. In Europe the Young Marshal secretly visited Soviet Russia and there he met members of the Chinese Communist Party and the Third International. Among the Communists Chang Hsueh-liang sought ways and means of recovering his lost provinces and to revenge the great insult he had suffered from the Japanese. The loss of a good portion of his father's £20,000,000 fortune during the fall of Mukden and the best of his arms, ammunition and aeroplanes to the Japanese formed another cause for his disgruntled attitude. Although Chang Hsueh-liang did not join the Communist Party at that time he promised that he would do so on returning to China.

All these political intrigues were not known to the Central Government authorities. When Nanking ordered Yu Hsieh-chung's troops to quit Peiping and Tientsin in 1935 the bitterness of the 100,000 to 150,000 north-eastern troops against their higher authorities was enhanced. In Shensi Chang Hsueh-liang immediately prepared for the organisation of a big militia force, which in secret worked hand in hand with the Communists.

Sometime last year Chang Hsueh-liang's troops were engaged in a number of battles with the Communists: but because the North-eastern troops were not used to this sort of guerrilla warfare they suffered many defeats and a good many of the officers were taken prisoners by the Reds. While in the camps of the Reds these officers were befriended by the Communists who promised them full help to fight the Japanese to recover their home country in Manchuria. These officers and soldiers having been turned from their native country were only too eager to accept the encouraging Communist proposal. Many of them were released by the Reds, after secretly enlisting with the Communist Party.

While Chiang Kai-shek was directing the political rehabilitation in Kwangtung two months ago he heard reports of Chang Hsueh-liang's plotting with the Communists. But the Generalissimo never took the rumors seriously, believing that the north-eastern troops only made themselves fully prepared for the future war against Manchukuo and therefore if the Nanking Government at any time made its anti-Japanese policy clear Chang Hsueh-liang's big army would be only too glad to enlist under the National banner. But it is known that Chiang Kai-shek as a precaution, did wire to Shao Li-tse (Chairman of Shensi) and General Yang Fu-cheng, commander of the Sixteenth Division stationed in Shensi, instructing them to watch Chang Hsueh-liang closely. Subsequently Chang

Hsueh-liang found out that the Shensi Provincial Kuomintang and the Sianfu City Kuomintang officials were responsible for making the secret report to Nanking which led to his being placed "under surveillance." In retaliation he ordered his soldiers to raid the two Kuomintangs. Despite his suspicion and the raid on the two Kuomintang organs, Chiang Kai-shek did not take the Shensi developments too seriously thinking all the time that when Nanking openly challenges Japan all the discontented elements in Shensi would submit to the Central Government orders to fight in Manchuria.

Another evidence that Chang Hsueh-liang's alliance with the Communist was no recent development is borne out by his dismissal under one pretext or another of some 400 middle or lower rank officers of his army. Most of these officers were graduates of the former Manchurian Cadet College and disciples of the National Democratic Party.

On the military side Chiang Kai-shek has also taken precautionary measures and immediately after he made a peaceful settlement with Kwangsi, Chiang Kai-shek sent his crack division, the First Division under General Hu Chung-nan, to Shensi from Kwangtung and West River. At the beginning of December while touring Shensi and Honan, Chiang Kai-shek made a further important decision to keep Chang Hsueh-liang under his close surveillance by ordering some of his Fukien troops to Shensi. Simultaneously he appointed General Chiang Ting-wen Commander-in-Chief of the Vanguards of the Anti-Communist forces in Shensi. In a way this appointment of a trusted member of Chiang Kai-shek's party startled the Young Marshal and precipitated his taking the swift action by kidnapping the entire entourage of Chiang Kai-shek. Chiang Ting-wen was among those detained, but he was later released and returned to Nanking.

Dec. 26, 1936.

Indian National Congress Rejects Government of India Act

The annual meeting of the Indian National Congress opened in Faizpur, Dec. 26. One of the main resolutions reiterated "entire rejection of the Government of India Act of 1935 and the constitution imposed on India against the declared will of the people of the country." The resolution went on to express the opinion that "any co-operation with this constitution would be a betrayal of India's struggle for freedom, would strengthen the hold of British imperialism and be a further exploitation of the India masses, who have already been reduced to the greatest poverty under imperialistic domination."

One of the problems the Congress had to decide was whether congressmen elected to legislatures under the new constitution shall accept ministerial office. The working committee of the Congress submitted a resolution that this question shall be considered after the elections by a national convention composed of parliamentary congressmen and others. It was proposed that the convention should demand a constituent assembly, and should determine how to oppose the introduction of the federal structure in the new Act.

The resolution rejecting the Government of India Act of 1935 "and the constitution imposed on India against the declared will of the people of the country," was passed by the Indian National Congress Dec. 28 after a prolonged debate. The resolution reiterated the demand that a constituent assembly be elected by adult suffrage for the purpose of drafting a new constitution, but left the question of acceptance of office by Congressmen to be decided after the provincial elections. The Congress also passed a resolution forbidding Congressmen to participate in celebrations that might be held in India in connection with the King's Coronation. The passage of this resolution, it was made clear, was in no way intended to express ill-will or discourtesy to the King's person.

The Government of India Act of 1935 provides for the establishment of an All-India Federation, provincial autonomy, and responsibility with safeguards.

It also contains provisions with respect to the distribution of powers as between the Federal Legislature and the provincial legislatures; the administrative relations between the Federation, the provinces and the Indian states; the setting-up of a Federal railway authority and a railway tribunal; the constitution of a Federal legislature and provincial legislatures, and the franchise.

Mahatma Gandhi Again Defies Britain

M. K. (Mahatma) Gandhi, the Indian Nationalist leader, broke a two-years' silence at Faizpur, Dec. 27, with a speech at the village industiirs exhibition held in connection with the National Congaess. "Show me a way," he said, "and I am prepared to go back to jail and be hanged. If you do what I want, the Viceroy will admit that he has been wrong and will offer to return to Englnd with the rest of the Britons on the next steamer." Gandhi added that he would then reply that India was "big enough to hold you and more like you." The speech did not discuss policy in concrete terms, and failed to indicate clearly the Mahatma's attitude towards current political events. It, however, deeply impressed the Congress camp as a possible forecast of Mr. Gandhi's re-entry into active politics.

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Ministry of Finance Rejects Petition from Canton for Abolition of Rice Import Duty

The request of Kwangtung merchants for the abolition of the Customs Import Duty on foreign rice has been rejected by the Ministry of Finance. In a telegram to the Swatow City Chamber of Commerce, the Ministry pointed out that an abundant harvest was reaped this year in various parts of the country. The surplus rice in Hunan, Kiangsi and Anhwei is sufficient to meet the demand in Kwangtung. As the Customs Import Duty is imposed on foreign rice in order to protect the domestic industry, the Ministry states, the request for its abolition cannot be entertained. The Ministry has also instructed the Shanghai City Chamber of Commerce to facilitate the transport of rice from Hunan, Kiangsi and Anhwei to Kwangtung to meet the needs in the South.

Commission in Kwangtung to Regulate People's Food Supply

Regulations governing the organization of a Commission to regulate the food supply for the people were approved at a meeting of the Kwangtung Provincial Government Committee Dec. 22. The capital of the Commission is fixed at $5,000,000, of which $1,000,000 will be provided by the Provincial Department of Finance and the remainder borrowed from banking circles. General Huang Mu-sung Chairman of the Kwangtung Provincial Goverment, and T. L. Soong, Provincial Commissioner of Finance, were appointed concurrently as members of the Standing Committee of the Commission.

Certificates Issued to Those Who Passed Civil Service Examinations

Certificates were distributed Dec. 22 to the candidates who successfully passed the recent Ordinary Civil Service Examinations. The ceremony was held at the Examination Yuan. Over 200 officials and candidates were present, including Chen Ta-cai, Chairman of the Examination and Selection Committee, and Shen Shih-yuan, Chairman of the Examination Committee. The successful candidates have been instructed to report to the Examination Yuan before Jan. 6, so as to await appointment. No post will be assigned to those who fail to report within this time limit.

Construction of Whampoa Extension of Canton-Hankow Railway Being Pushed

In order to link the Canton-Kowloon Railway and the Canton-Hankow Railway at an early date, the construction of the Whampoa extension of the latter line is being feverishly pushed. The whole extension, measuring a distance of 26 kilometres, is divided into two sections for construction. Construction work on the first section, running from Yaotai to Shaho for a distance of 13 kilometres, was started on November 26. Over 2,000 workers are engaged in the work. Through traffic between the Canton-Hankow Railway and the Canton-Kowloon Railway will be inaugurated next spring when the construction of the extension is expected to be finished.

Memorandum of Loan Agreements for Purchase of Railway Material Is Approved

A memorandum submitted by Chang Kia-ngau, Minister of Railways, reporting on the conclusion of five loan agreements with the Board of Trustees for the Administration of the British Boxer Indemnity Refund, the Hongkong & Shanghai Banking Corporation and the Jardine Engineering Corporation for an advance of £900,000 for the purchase of railway materials abroad; and with the Shanghai banking syndicate of eight banks, including the Bank of Communications, the Farmers Bank of China and the Kincheng Banking Corporation, for a cash loan of $14,000,000 to be secured on bonds of the $14,000,000 Nanking-Shanghai Reconstruction Loan, was approved by the Executive Yuan at its 293rd meeting in Nanking, Dec. 22.

Construction Work on Tsinan-Liaochen Rly. Work Stopped

Construction work on the Tsinan-Liaochen extension of the Tsinan-Tsingtao Railway will be postponed to a later date, according to Keh Kwang-ting, Managing Director of the line, who returned to Tsingtao, Dec. 23 from Tsinan. Postponement is presumed to be due to the present unsettled political situation and the lack of funds.

Collection of Income Tax Will Start Jan. 1

Official announcement has been made by the Ministry of Finance that collection of income tax on business profits, individual earnings and interests accrued from government bonds, corporation debentures, stocks and banking deposits will begin on January 1, 1937.

Enacted on July 9 this year, only a section of the law was enforced by the Ministry on October 1. The income tax is now only collected from interests on government bonds and salaries and other earnings of public servants. Collection on interest accrued from banking deposits was delayed until January 1 in order that some way might be devised to prevent a flight of capital from Chinese banks to foreign banks, which so far have not agreed to observe the income tax law.

During the last two months, negotiations with foreign countries on collection of income tax from foreigners have been fruitless. When the law is enforced on January 1, foreigners enjoying extra-territorial rights may continue to refuse payments.

In view of the situation, the Shanghai Chinese Bankers' Association and the Native Bankers' Association have organized special committees to study measures to prevent a flight of the deposits. In certain financial quarters, however, it is held that a flight of deposits is unlikely inasmuch as the Chinese banks on the average pay higher interest rates and the interest, deducting the income tax dues, still represents a sum higher than that offered by some of the foreign banks. The income tax rate on interest is five per cent flat.

Income Tax Collection Offices Are Established

The various officials recently appointed by the Ministry of Finance to make preparations for enforcement of the Income Tax (*So-Te Shui*,) which will be Imposed on all items of income next year, left for their respective posts Dec. 22. Due to arrive at their destinations before the end of the year, they will establish Income Tax Offices (*So-Te Shui Pan-Shui-Chu*) in the provinces and municipalities to which they have been assigned.

C.N.A.C. Planes Carry 14,817 Passengers Between Jan. 1 to Oct. 30

The China National Aviation Corporation has been making rapid progress in its passenger and airmail services during the year 1936. Statistics for the first ten months of 1936 indicate a 30 per cent increase as compared with the figures for a corresponding period of last year. The local office statistics for the ten months between Jan. 1 to Oct. 30, 1936, reveal that the C.N.A.C. planes flew a total of 2,018,064 kilometers and carried 14,817 passengers and 60,541 kilograms of mail. During the whole year of 1935 the C.N.A.C. planes flew 1,906,452 kilometers and carried 11,004 passengers and 74,045 kilograms of mail.

Canton-Hankow Airway to Be Reopened

With the approval of the Ministry of Communications, the Canton-Hankow Airway, operated by the Eurasia Aviation Corporation, which had been suspended for some time, will be reopened to traffic on New Year's Day. Simultaneously, a formal ceremony inaugurating through traffic on the Canton-Hankow Railway, which began operations two months ago, will also be held.

Flames Destroy Douglas Airliner on Chengtu Field

One of the China National Aviation Corporation's 14-passenger Douglas airliners caught fire and was burned at Chengtu air-field Dec. 25. No one was injured. "Hy" Broiles, one of the company's most experienced American pilots with an extensive China service record, including both land planes and amphibians, was in charge of the craft.

Capt. E. M. Allison, C. N. A. C. operations manager, and Oscar Wilke, chief mechanic, took off from Shanghai Dec. 28 in another Douglas on scheduled trip to Chengtu, accompanied by an insurance adjuster. The burned plane was fully covered by insurance.

Death Occurs of General Hans Von Seeckt, Former Nanking Military Adviser

The death occurred in Berlin Dec. 28, at the age of 68, of General Hans von Seeckt, reconstructor of the post-War German army and, from 1934-35, military adviser to the Nanking Government. General von Seeckt had a brilliant career in the German army before and during the World War, but attracted wider attention by his military activities after the war. *Reuter* says it was never definitely ascertained whether the late general was at heart a monarchist, a liberal or even a democrat. It was generally assumed, however, that he had always remained a monarchist, not because of his regard for the former kaiser, but as many of his remarks and actions seemed to indicate, because he was convinced that a united Germany stood the best chance of regaining world recognition under the leadership of a Prussian monarch.

George Bronson Rea Buried in Arlington National Cemetery

Mail advices from the United States record the fact that a military funeral was accorded the late George Bronson Rea, publisher of the *Far Eastern Review* and formerly an advisor to the "Manchukuo" Government. Interment took place at the Arlington National Cemetery, near Washington. The casket was borne on a gun-carriage drawn by four horses, followed by a military band, and a company of infantry. The service was conducted by an Army Major-chaplain. Among those present were three Japanese, evidently from the Embassy in Washington. The late Mr. Rea served for a short period as Assistant U. S. Military Attache at Madrid during the World War.

Foochow Students Pledge Loyal Support to Chiang and Nanking

BY THE REVIEW'S FOOCHOW CORRESPONDENT

Since the sudden outbreak of Sian revolt, people here, regardless of age, profession, have watched closely the developments in Sian. They are all indignant over the mutiny of Chang Hsueh-liang; they believe that the Sian rebellion deals a fatal blow to Modern China, which has just been united and is on her way to recovery. This writer has personally seen some young students who were so much excited that they burst into crying.

Several days ago, the people were in high spirits when they received a report from Shanghai to the effect that Generalissimo Chiang was released from his imprisonment in Sian and safely arrived at Loyang. The students paraded through the streets. The sound of firecrackers was continually heard from evening to midnight. Two American missionaries, who got highly interested in the welfare of China, were pleased at the news about Chiang's freedom; they discharged firecrackers in the South Street, an important thoroughfare at Foochow.

On Dec. 20, all Christians in the churches throughout Foochow prayed that God be with Chiang and that He would deliver Chiang from peril.

With a view to showing wholehearted support to Gen. Chiang and the Nanking government, no less than 13,000 students from three colleges, twenty-six secondary schools, and some primary schools in Foochow, held a memorable meeting in the Public Playground (near the South Gate) at 9 o'clock on Dec. 23. Cheng Tan, representative of Chairman Chen Yi, Chen Chao-yin, director of Kuomintang affairs in Fukien, Wu Tien-hsueh, regiment-commander of gendarmes, and others also participated in the meet. Opposite the entrance to the playground, there is a large picture of Chang Hsueh-liang with the characters "Chang Hsueh-liang—a Rebel".

Chen Yuan-kuang, a student of Fukien Christian College, was the chairman. In his opening remarks he paid tribute to Chiang in the latter's efforts to unify and rejuvenate China; he stressed the necessity of saving Chiang from danger, and urged the people to support Chiang and Nanking. His remarks were followed by the speech of Chen Chao-yin, party leader, who first mentioned Chiang's meritorous services to China, then went on to correct the misconception that rebel-suppression was internal strife, and lastly asked the students not to be panic-stricken and advised them to pay closest attention to discipline.

All the students present then raised their right hands and took the following vow:

> I pledge to act in accordance with the teachings of Dr. Sun Yat-sen, to obey the revolutionary leader, to support the National Government. Should I act contrary to what I have avowed, I am willing to receive the strictest punishment.

Two resolutions were passed: (1) that 100 students be picked from different schools and start for Sian in the shortest possible duration of time (to convince Chang Hsueh-liang that public opinion is against his recent moves); (2) that next week, Dec. 27-Jan. 2, be appointed as propaganda week (various provincial school students should be engaged in rebel-suppression propaganda from 3 p.m. to 5 p.m. every day of the following week).

When the meeting was over, the clock struck eleven. The students held a parade with demonstrations. Their slogans were: "Down with Rebel Chang Hsueh-liang", "Save Generalissimo Chiang from danger", "Vive the Kuomintang Party", etc. When the students passed through the streets, the atmosphere was electric.

Various Circles Concerned Over Chiang's Safety

Various circles here were greatly concerned over the safety of Gen. Chiang. Chen Chi, commander of the 80th Division, went to Nanking, calling on Gen. Chiang Ting-wen who had just reached Nanking from Sian and asked the latter to tell him the real story of the Sian incident. Mrs. Chen Chen, while travelling in Fukien, heard that her husband, Gen. Chen Chen, was imprisoned by Chang Hsueh-liang in Sian. She repeatedly wired to Nanking, inquiring as to her husband's whereabouts and received answers that her husband was safe in Sian.

Chen Chao-yin on Dec. 25 Flew to Nanking on Business—Peace Prevails in Foochow

In spite of the fact that the people here are excited over the Sian mutiny, economic conditions are not the least perturbed. Calmness prevails instead.

A Canton Despatch About the Sian Affair

There are different versions or conflicting reports about the Sian affair. According to a Canton despatch dated Dec. 22, there exists an understanding between Chang Hsueh-liang and communists. At the instigation of the latter, the former kidnapped Gen. Chiang. Chu Teh and Mao Tsz-tung, two communist leaders, are said to have reached Sian, proposing to form the socalled "National Defense" Government.

December 24, 1936.

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Christmas Prosperity in United States—5,000 Extra Men Employed to Handle Mail

The United States this year enjoyed the most prosperous Christmas season for many years. Unprecedented volumes of mail were handled by post offices throughout the country, giving the strongly reinforced army of postal employees a colossal task. No less than 5,000 temporary hands were engaged to augment the 20,000 regular employees, who reported the longest queues they had ever seen.

San Francisco Ship Owners Propose Compromise Plan

Shipowners at San Francisco, Dec. 23, submitted to the Masters' and Mates' union a proposal for a compromise on the preferential hiring issue. The shipowners offered the unions preferential hiring in the event that the ship operators are permitted to choose their own captains, regardless of union status.

Three Hundred Striking Seamen Arrested at New Orleans

More than 300 striking seamen were arrested in New Orleans, Dec. 23 in a round up of loiterers designed to prevent further violence on the waterfront. Some estimates of the number of arrests placed the figure as high as 500. Nine policemen raided the seamen's hall where the sailors meekly submitted to arrest. At the police station they were jammed into cells, as many as 25 to one cell, while police were reaching a decision on whether to take the cases into court. The arrests followed a series of violent outbreaks along the waterfront in which a Filipino mess boy, Bonificio Corpas, and the chief steward on a freighter received serious head injuries and were removed to a hospital. Several other persons were beaten, robbed and kidnapped along the waterfront.

Automobile Workers Try to Unionize General Motors' Plant

Officials of the General Motors Corp. Dec. 22 conferred secretly with representatives of the United Automobile Workers' Union regarding union demands for recognition. The labor leaders were believed to have issued an ultimatum threatening to go on strike unless recognition is accorded to their organization.

Administration Leaders Seek Continuation of Extraordinary Powers

Administration leaders in Washington are seeking extension of most of their vast temporary powers over finance and banking at the next session of Congress. Temporary statutes expiring within the next few months involving banking, monetary and lending activities will be continued on a permanent basis except for minor changes. There is general agreement that the president's powers to devaluate the dollar between 50 and 80 per cent of its former gold content, which expires January 30, and to maintain the huge $2,000,000,000 (B) stabilziation fund will be continued.

T. V. A. Injunction Signed by Judge in Nashville

District Judge Gore, of Nashville, arrived in Knoxville, Tenn., Dec. 22 and signed an injunction restraining the further expansion of the electrification program of the Tennessee Valley Authority until he rules on the case in which the constitutionality of the program is contested.

Death of Arthur Brisbane—Hearst's Chief Editorial Writer

The death occurred in New York Dec. 25 at the age of 72, of Arthur Brisbane, chief editoral writer of the Hearst newspapers. His earnings amounted to about a quarter of a million dollars a year.

Henry Ford Gets Patent for "Easier Riding" Car

Henry Ford, the automobile magnate, was granted a new engineering patent for "an easier riding car," according to an announcement made Dec. 28 by the United States Patent Office. Revolutionary changes in the automobile industry are foreshadowed as a result of the improvements which Mr. Ford will introduce in his cars.

U.S. Immigration Officials Detain Japanese Athlete

Because of doubt regarding his right to enter the United States, Hyotaro Sato, Japanese tennis professional under contract to play exhibition matches with "Big Bill" Tilden and Ellsworth Vines, was asked by immigration officials to remain at San Francisco, Dec. 18 pending reference of the case to the Labor Department at Washington. Mr. Sato, a former Japanese Davis Cup player, turned pro' at the time of Tilden and Vines' recent visit to join the American professional group for a series of matches in the United States. The immigration authorities, however, questioned his right of entry. The case comes under the contract labor clause of the immigration act, officials explained but the Labor Department was asked to waive application of the clause in order to permit Mr. Sato's entry.

Tenth Anniversary of Chiaotung U. Research Institute

A large representation of cultural organizations gathered at Wenchi Hall, Chiao-Tung University, Dec. 26, to celebrate the 10th anniversary of the Research Institute of the University. In welcoming the guests, President J. Usang Ly, who is concurrently Director of the Institute, traced the development and explained the work of the ten-year old institution in an appropriate speech. He explained that the University, which celebrated its 40th anniversary in April last, is composed of three separate units located at Shanghai (known as Nanyang College), Tangshan, and Peiping. In the last forty years, about two thousand were graduated from the different Colleges and schools in the Nanyang College; seven hundred from Tangshan; and some one thousand from Peiping. Of these, several hundred have been sent abroad for further studies by the Ministries and the provincial or district governments. The number of alumni who have worked in the different offices of the Ministry of Communication and of Railways cannot be ascertained; but there are some one thousand of them working in the railways, and the rest are widely distributed over a number of professions. These graduates have rendered significant services to the country. Twenty years ago, with the exception of Jim Tin-yu who was responsible for the construction of the Peking-Suiyuan and the Canton-Hankow railways, the engineers and important administrative officers in the railways were foreigners. Now with the exception of a few department chiefs, who are installed because of loan agreements, all the exceutives and employees of the railways are Chinese, many of whom are graduates of the University. After the establishment of the National Government, the building of new railways and highways, the construction of the Nanking Railway Ferry, and the designing of the Chien-tang River Bridge, have all been undertaken by Chiaotung alumni.

As the University is the highest seat of learning maintained by the Ministry of Railways, the Research Institute pays special attention to problems connected with the construction, administration, and function of the railways and the latter's relations with the economic necessity of the people.

In conclusion, Dr. Ly said the Institute wished to acknowledge its obligation to the China Foundation, whose endowment, aside from the appropriations of the Ministry of Railways and contributions from other sources, was mainly responsible for the proper functioning of the Institute. They were specially grateful for its generous endowment of $37,500 in 1926 and of various sums totaling $90,000 since 1930.

Among those who attended the celebration were Kung-cho Yeh, a former Minister of Communications and of Railways and also the first President of Chiao-tung University, Dr. C. T. Chen, a former Minister of Finance and also a Professor of Mathematics 37 years ago, Dr. J. Chow, a Director of the Academica Sinica, who represented Chancellor Y. P. Tsai; all addressed the gathering. A tea reception was extended in the afternoon to all the visitors, among whom were many college presidents, directors of learned societies, railway officials, and representatives of the national and local governments.

U. S. Informs Japan of Naval Plans

The intention of the United States Government to retain 19,000 tons of over-age destroyers, under the terms of the London Naval Treaty, was conveyed to the Japanese Foreign Minister, Hachiro Arita, by Joseph C. Grew, American Ambassador in Tokyo, Dec. 24. The American Government also decided to agree to Great Britain's retention of five over-age "B" class cruisers.

American Magistrate Orders Man to Hold Wife's Hand in Cinema

American magistrates, in their treatment of minor offenders often display a sense of humor which makes the reading of police court reports a pleasure. Although pillories no longer stand in the public squares, the old idea that the petty malefactor should be made to look foolish, or that he should be shown the error of his ways in a practical fashion, still persist. The women of New York are particularly delighted at the punishment recently awarded by Mr. Sabbatino, a Brooklyn magistrate, to Samuel Rubenstein, who came before him accused of having maltreated his wife. Mr. Rubenstein, who peddles ties in the streets for a living, assumed an attitude of virtuous innocence, and became aggrieved when the magistrate suggested that he might occasionally take his wife out in the evenings. He retorted that he was tired in the evenings and had no money for dissipation. A remark from the Bench that by spending less on tobacco he might have more to spare for amusement drew the haughty reply that he did not smoke.

Mr. Sabbatino, however, was adamant. Observing that a little dissipation might do Mr. and Mrs. Rubenstein good, he sentenced the prisoner to take his wife to the cinema on a date set with the strict condition that he should hold Mrs. Rubenstein's hand throughout the performance. If after this treatment Mr. Rubenstein still wished to press the case, the magistrate said that he would hear it later.

CHINA REJOICES AT SAFE RETURN OF GEN. CHIANG; GEN. CHANG "AWAITS PUNISHMENT" AT NANKING

(*Continued from page* 155)

Dec. 23—Chihsui captured by Government troops.

Dr. Kung expresses gratification over support of foreign banks during Sian crisis.

Hostilities reported to be suspended three days at request of T. V. Soong.

Dec. 24—Gen. Chiang spends Christmas eve in rebel headquarters at Sian.

Government forces closing in on Weinan. All tracks and bridges east and west of town damaged.

Dec. 25—Gen. Chiang Kai-shek arrives safely at Loyang at 5.30 o'clock in a Boeing plane. He was accompanied by Madame Chiang, W. H. Donald, and T. V. Soong.

Whole nation goes wild with joy at news of release of Generalissimo.

WANG CHING-WEI RETURNING TO CHINA, PRAISES CHIANG'S LEADERSHIP

Wang Ching-wei, chairman of the Central Political Council who had been recuperating in Czechoslovakia, sailed from Genoa Dec. 22 for China. In a statement issued before his departure, Mr. Wang declared that the leadership of Gen. Chiang Kai-shek is definitely proved by the unanimous and unprecedented support of the whole country which was unmistakably shown since Chang Hsueh-liang's coup on Dec. 12. Through Gen. Chiang's able leadership, Mr. Wang continued, there was a ray of hope for China, especially in the defense against the "Irregulars" in Suiyuan. He deplored the Sian revolt and the detention of Gen. Chiang which he added has caused a rupture in the construction enterprises throughout the country.

The final hearing of the case against the various suspects arrested for complicity in the attempt in November 1935 on the life of Wang Ching-wei, then president of the Executive Yuan, was held at the Metropolitan Court in Nanking Dec. 26. The suspects present were Chang Yu-hua, Ho Pu-kwang, Liu Shu-yung, Li Huai-cheng, Hsiang Chung-lin, and Lu Ching-chi. Questioned by the judge, Chang Yu-hua admitted his membership in the Cultural League and the Social Science Society. Ho Pu-kwang described the plot for the assassination of Wang Ching-wei. Liu Shu-yung admitted that the accompanied Mrs. Kuo Tzu-feng, the wife of another accomplice, on her flight after the crime. He said that the revolver used in the crime had been tested by Kuo Tzu-feng. Li Huai-cheng was very vague in his replies to the Judge. Hsiang Chung-ling admitted that he had tried to obtain a press reporter's permit from Central Party Headquarters for the late Sun Feng-ming, who shot Mr. Wang, and subsequently killed himself. Lu Ching-chi admitted that he had kept a suitcase for Kuo Tzu-feng, but declared that he did not know that it contained a revolver. Yu Li-kwei, who was extradited from Hongkong, at first said that he knew nothing about the crime, but after had to admit some knowledge of the affair when confsonted by Wang Jen-shan, who described to the Court the secret meetings held by Yu and the other conspirators at Hongkong. Wang also admitted that he had transmitted certain funds to Mrs. Sun Feng-ming, the widow of the murderer, and the secret organs of Wang Ya-chiao and Hua Ko-chih, the master minds of the crime. After supplementary remarks in their own defence were made by the accused, Lo Jen-chi, Prosecutor of the Kiangsu Provincial High Court, reviewed the charges and asked the Judge to find the prisoners guilty. Judgment of the Court will be pronounced on the 31st inst.

WANG YING, LEADER OF "IRREGULARS," REPORTED EXECUTED

The renewed vigor of the Mongol and "Manchukuo" irregulars in their invasion of East Suiyuan was given much prominence by by the official *Central Daily News*, Dec. 29. Troops of "certain quarters," the paper reported, are now concentrating in North Chahar, while a large fleet of enemy planes and tanks have arrived in Shangtu. A report from Kweihua stated that Li Shou-hsin is now under suspicion and has lost his personal freedom. He forces have been transferred to points between Dolonor and Kuyuan. Barracks capable of accomodating four divisions of troops are being constructed at positions between Doloner and Shangtu by "certain quarters." More Jehol troops and "Manchukuo" irregulars have arrived from North Chahar to take part in the campaign, *Central News* reports.

Wang Ying, commander of the "Irregulars" who has been chiefly responsible for the invasion of eastern Suiyuan, was executed at an unrevealed point north of Shangtu on the night of Dec. 21, according to an unconfirmed report. It is stated that Wang had aroused the ire of "certain quarters" for his failure in the Suiyuan drive.

Gen. Fu Tso-yi, chairman of Suiyuan, arrived at Taiyuan Dec. 25 to report to Gen. Yen Hsi-cshan, pacification commissioner for Shansi and Suiyuan, on the military situation. All is quiet on the eastern front, but most of the "Irregulars" stationed at Shangtu and Changpei have mobilized to the northwest preparatory to launching another attack on Taolin in eastern Suiyuan. News about the execution of Wang Ying, commander of the "Irregulars" by "certain quarters" still lacks confirmation. All remnant "Irregulars," west of Tamiao in northern Suiyuan have been totally disarmed by the Chinese forces.

PAINTS AND PAINT WORK

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CUSTOMS NOTIFICATION NO. 1558

All registered brokers and firms are hereby notified that they must renew their registration at the Registration Desk in the General Office between the 1st and 31st January 1937. Any Licence or Bond not renewed on or before the 31st January 1937 will be cancelled, and the broker or firm will be considered as un-registered.

PAUL BARENTZEN
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 28th December 1936.

In the United States Court for China

In re.
Estate
of
BARNES MOSS
Deceased

Cause No. 4139
Special Proceedings No. 2018
NOTICE
Filed at Shanghai, China, December 15, 1936.
William T. Collins, Clerk.
L. T. Kenake, Asst. clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of BARNES MOSS, deceased, to present the same with vouchers to the undersigned on or before June 19, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

NORWOOD F. ALLMAN,
c/o Allman, Davies & Kops.
Hamilton House, Shanghai.

Shanghai, China.

News Notes from Canton

(*By the Review's Canton Correspondent*)

Air warfare, tactics, and defense was the subject of a lecture given recently before Canton police officers by a German Adviser attached to the Nanking Artillery fource. Special attention was paid to the duties of policemen in the air defense program. While in Canton the Adviser visited the Air Defense Department, the Provincial Chairman of Kwangtung, and the Commander-in-Chief of the 4th Route Army. The following week he continued on to Kwangsi to contant authorities there.

All addicts or sellers of herion arrested after January 1, 1937, are to be shot according to an order from the Central government received by the magistrate of the Toishan district. Placards have been posted announcing the new order and with the coming of the new year a compaign will be held for the suppression of opium and other drugs.

A Bond and Stock Exchange will be organized in Canton shortly according to reports from Chow Tien-pong, chairman of the Chamber of Commerce. The system now employed by the Shanghai and Hongkong exchanges will probably be used. The Exchange is expected to have a stabilizing influence on the financial conditions of the city.

Claiming that present restrictions are hampering the importation of petrol to be refined into kerosene, the Native Kerosene Oil Merchants have submitted a petition to the Department of Finance in Canton for withdrawl of these regulations. The merchants point out that, due to the necessity of kerosene for general use, the present restrictive measures should not be allowed to remain.

Canton policemen who are over 50 years old and not in robust health are to be retired according to instructions issued by Lieut-General Li Kit-chi, Comn issioner of the Kwangtung Police Bureau. Younger men are to replace those retired and the Police Bureau has advertised for 250 candidates to enroll for a six weeks training period which will precede their admission to the service.

Iron mines are reported to have been discovered in the Hoppo district of Kwangsi Province. Tao-si, the village near where the mines have been reported, is but fifteen li from Shing-wong Market, which is linked with Wuchow by bus. Villagers have been mining ore for construction of farming tools and estimates in regard to the possible total output run as high as 50,000,000 tons.

The College Union of Lingnan University sponsored a dinner Monday evening, Dec. 28, to celebarate the release of Marshal Chiang Kai-shek.

Dec. 26, 1936.

British Press Hailed Release of Gen. Chiang

The *London Times* Dec. 28 declared that General Chiang Kai-shek's escape will be welcomed by all Europeans who realize how much his sane and prudent leadership has contributed to the unification and development of the new China. The *Times* then expressed the hope that the Generalissimo will not think it necessary to resign his office for any reason of "face." It also commends the fortitude of the Nanking Government and of General Chiang Kai-shek in holding out against the threats of Chang Hsueh-liang.

Whatever Chang Hsueh-liang's original motives, the *Times* concluded, by his repentance and surrender he has saved the country from a formidable civil war in which the Communists might have taken a hand, and from a disastrous loss of prestige.

Government Strengthened by Incident

The competence and success with which the Nanking Government acted in the matter, stated that London *News Chronicle*, may bring good from evil by strengthening its authority. That, the *News Chronicle* concluded, will probably be the best hope for China. The release of General Chiang Kai-shek was also the subject of editorial comment in the London *Morning Post*. While ironically paying a tribute to the "shining example of courtesy just given by two Chinese generals," and remarking that, officially anyhow, the release of the Generalissimo was accompanied by no rude clinking of coins, the newspaper drew attention to the danger of the example being followed. No man, it said, could have risen to General Chiang's pre-eminence at such an early age without making powerful enemies. General Chiang, the *Morning Post* concluded, has done great work for China. Should he go, who knows to what lengths vociferous Young China might not push his less skilful associates in the Nanking Government.

Tokyo's Speculations

Newspapers in Tokyo Dec. 28 gave the closest attention to the aftermath of Gen. Chiang Kai-shek's detention at Sian, with particular reference to the future role of General Chang Hsueh-liang.

Some Tokyo vernacular organs asserted that the "Young Marshal" had gone to Nanking to face a court-martial. Others insisted that he went to the capital to receive forgiviness for the coup and to arrange for the transfer of his military command to Gen. Yen Hsi-shan. Still another report had it that the Nanking government would consider his demands for a revision of foreign and domestic policy.

Foreign Envoys Give Congratulations on Safe Return of General Chiang

Gen. Chang Chun, Minister of Foreign Affairs, received at the Waichiaopu at Nanking, Dec. 28 a number of foreign diplomatic representatives who conveyed their congratulations on behalf of their respective governments for the safe return of Gen. Chiang Kai-shek.

S. Kawagoe, the Japanese Ambassador, R. H. Howe and A. D. Blackburn, respectively Counsellor and Secretary of the British Embassy; Nelson T. Johnson, the American Ambassador, Paul Naggiar, the French Ambassador, Dr. Oskar Trautmann, the German Ambassador, were among those who called. M. Spilwanek, Counsellor of the Soviet Embassy, was received by Chen Chieh, vice-Minister of Foreign Affairs, while a message of congratulation was also received from Otto Kildal, the Norwegian Charge d'Affaires.

Quo Tai-chi Says Sianfu Settlement Is "Eminently Chinese"

"Eminently Chinese" was how the Chinese Ambassador, in London, Quo Tai-chi, laughingly described the Sianfu settlement in an interview with *Reuter* Dec. 28 on his return from the Continent, where he attended the recent meetings of the Council of the League of Nations and conferred with Wang Ching-wei, who is now on his way back to China. "The importance of the crisis," he declared, "was the calmness shown by the whole country at the most critical moment, just like the calmness you showed in the crisis leading to King Edward's abdication."

"It is worthy of especial notice," Mr. Quo continued, "that the pledges of loyalty to Nanking during the Shensi trouble were addressed not to any individual but to the Central Government. Nothing could better indicate China's growing unity and determination that the progress already achieved shall not be wrecked by civil strife."

England Expects—

Let us pause to consider the English,
Who when they pause to consider themselves they get all reticently thrilled and tinglish,
Because every Engl shman is convinced of one thing, viz.:
That to be an Englishman is to belong to the most exclusive club there is;
A club to which benighted bounders of Frenchmen and Germans and Italians et cetera cannot even aspire to belong,
Because they don't even speak English, and the Americans are worst of all because they speak it wrong.
Engl shmen are distinguished by their traditions and ceremonials,
And also by their affection for their colonies and their condescension to their colonials.
When foreigners ponder world affairs—why, sometimes by doubts they are smitten,
But Englishmen know instinctively that what the world needs most is whatever is best for Great Britain.
They have a splendid navy and they conscientiously admire it,
And every English schoolboy knows that John Jones Paul was only an unfair American pirate.
English people disclaim sparkle and verve,
But speak without reservations of their Anglo-Saxon reserve.
After listening to little groups of English ladies and gentlemen at cocktail parties and in hotels and Pullmans, of defining Anglo-Saxon reserve I despair,
But I think it consists of assuming that nobody else is there,
And I shudder to think where Anglo-Saxon reserve ends when I consider where it begins,
Which is in a few high-pitched statements of what one's income is and just what foods give one a rash and whether one and one's husband or wife sleep in a double bed or twins.
All good young Englishmen go to Oxford or Cambridge, and they all write and publish books before their graduation.
And I often wondered how they did it until I realized that they have to do it because their genteel accents are so developed that they can no longer understand each other's spoken words, so the written word is their only means of intercommunication.
England is the last home of the aristocracy, and the art of protecting the aristocracy from the encroachments of commerce has been raised to quite an art,
Because in America a rich butter-and-egg man is only a rich butter-and-egg man or at most an honorary LL.D, of some hungry university, but in England—why, before he knows it he is Sir Benjamin Buttery, Bart.
Anyhow, I think the English people are sweet,
And we might as well get used to them because when they slip and fall they always land on their own or somebody else's feet.

—OGDEN NASH *in the Saturday Evening Post.*

Who's Who in China

Mai Chien-tseng, Government official; born at Shunteh, Kwangtung, 1901; studied 8 years in the United States, obtaining M. B. A. from Harvard and Ph. D. in public and private finance from Columbia; since return to China, he has successively served as financial expert in the Ministry of Finance; professor of economics at National Chiao-Tung University and National Tsing Hua University; Director of the Department of Economic Affairs, with the rank of Major-General, of the Generalissimo's Provisional Headquarters; expert in the Ministry of Railways; now Commissioner of Finance of the Canton Municipal Government; Director of the Canton Municipal Bank; author of the following books: The Fiscal Policies of Albert Gallatin, The Administration of the National Railway Systems, and Foreign Loans of the Chinese Railways; address: Canton Municipal Bank, Canton, Kwangtung.

麥健曾
Mai Chien-tseng

麥健曾，年三十六歲，廣東順德縣人，早歲留學美國，在哈佛大學研習銀行學，得營業管理學碩士，復在哥倫比亞大學研究財政四年獲財政學博士學位，返國後歷充財政部顧問處專門委員，國立交通大學及清華大學教授，軍事委員會委員長行營少將組長，鐵道部專員，現任廣州市財政局局長，市立銀行董事，開闢廣州內港委員會主任委員，全國國民經濟建設運動總會專員，廣東省分會委員，中央國民經濟計劃委員會專門委員，中國政治學會理事，著有美國革命後之財政，中國鐵道問題資料索引，全國鐵道管理制度，中國鐵道外債等書。

Seventy Gain Freedom in Daring Jailbreak in Paotingfu

More than 70 criminals early in the morning of Dec. 23 escaped from the Fourth Hopei Provincial Prison in Paotingfu, in one of the most daring jailbreaks in China's history. A large band of unidentified men stormed the prison from the outside soon after midnight, shot the guards on the walls, broke down the main gate and liberated the prisoners. Patrols of Gen. Wan Fu-lin's troops heard the firing and rushed to the jail, to find all the criminals gone. Aided by reinforcements from Gen. Feng Chi-an's forces, they immediately searched the vicinity of the Prison, recapturing all but about 70 of the fugitives.

Japanese Marines Withdrawn from Tsingtao After Occupying Port for 20 Days

Ending a twenty-day virtual occupation of Tsingtao, by the Japanese Navy, marines landed from various vessels in port were completely withdrawn Dec. 23.

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Men and Events

Harrison Arnold of Tientsin spent the Christmas holidays with his parents, Mr. and Mrs. Julean Arnold in Shanghai.

C. Rogers, British Special Finance Commisioner resident in China, interviewed Dr H.H.Kung, Minister of Finance, Dec. 29

T. Funatsu, director-general of the Japanese Cotton Mill-Owners Association, who has been visiting North China, has returned to Shanghai.

Sir Miles Lampson, High Commissioner for Egypt and the Sudan, formerly British Minister at Nanking, was appointed Dec. 23 British Ambassador to Egypt.

Dr. T. H. Lee, former president of the Fuh Tan University and a member of the Legislative Yuan, returned to Shanghai from a visit to Szechuen end of last week.

A resolution to increase the company's capital by $2,000,000 was passed at an extraordinary shareholders' meeting of the Chung Hwa Book Co. held in Shanghai Dec. 27.

The transportation of art relics of the Peiping Palace Museum, stored in Shanghai for the past two years, to Nanking has now been completed. The Shanghai Office of the Museum has been abolished.

J. B. Powell, editor of *The China Weekly Review*, returned to Shanghai this week from Manila where he went on an assignment for *The Chicago Tribune*, for which paper Mr. Powell is correspondent in the Far East.

The s.s. *Ta Hwa* of the Ping An Steamship Company, Nantao, was stranded on a submerged rock off Tinghai near Ningpo Dec. 24, having run aground with heavy cargo aboard. More than 300 passengers and crew of the ship were taken off.

A statue of the famous Russian poet Alexander Pushkin will be unveiled on a square at Route Pichon and Route Ghisi in the Shanghai French Concession on February 11. The event is part of the local ceremonies commemorating the centenary of the poet's death.

The Berlin *Angriff* states that no less than 2,500,000 acres of arid or uncultivated land will be reclaimed and planted with trees within the next thirty years, due to the increased demand for wood in Germany as the result of the development in the cellulose wool and rayon silk industries.

T. A. Bisson, member of the research staff of the Foreign Policy Association, New York, is planning to spend considerable time in China this year. He expects to arrive in Shanghai this spring and after a visit here will travel extensively in both China and Japan.

Nathaniel Peffer, well known writer on Far Eastern subjects, who is now in Japan, has written friends in Shanghai of his expected arrival in this city soon after the new year. Mr. Peffer was engaged in newspaper work in China for several years prior to his return to New York.

Having been successfully refloated Dec. 26 after she had been aground on the shoals outside Chinwangtao harbor for nine days, the U.S. Transport *Chaumont*, 17,000 tons, arrived in Shanghai this week. She will remain in port until January 6, when she is to sail for the United States.

Expanding the scope of its activities in North China, the Japanese Consulate-General in Tientsin, has established three new departments to take charge of general affairs, economic matters and police administration respectively. Branch offices will be opened in leading cities in Hopei in the near future.

The three-months old daughter of the Chinese Military Attache, in Paris, Commander Chiang Han-san, was found dead from suffocation in her cradle Dec. 27. Commander Chiang had committed the baby to the care of the Chatenay Malabry nursery, which is directed by Mme. Flora, who herself discovered the tragedy.

Hsiung Shih-yi, writer of the well-known play, "Lady Precious Stream," arrived in Shanghai this week from Europe. He was greeted upon his arrival by Dr. Mei Lan-fang, celebrated Chinese artist, and other prominent Chinese actors. Mr. Hsiung, when interviewed, said that he returned to China to witness the rapid progress achieved in recent years.

Dr. J. Spencer Kennard, American missionary who was denied re-entry in Japan several months on the ground that his presence would be "injurious to peace and order," is now in Peiping awaiting a new assignment from the Baptist Foreign Mission Society. It is now certain that Dr. Kennard will never return to Japan.

A sentence of five years in prison was meted out by the Paris Court Dec. 26 to two Chinese on the charge of passing counterfeited Frs. 10 and Frs. 5 silver coins. Searches made at the hotel where the men lived resulted in the discovery of 1,067 false ten-franc coins and 2,018 five franc coins. In addition to the prison term the accused were fined Frs. 100 each and forbidden to stay in France for a period of ten years after the expiration of their sentences.

T. B. ("Buster") Brown, of Shanghai arrived in Manila, Dec. 23, in his own self-built yacht *Francesca*. He was met on arrival by A. F. Peters, manager of the Manila branch of the insurance company for which the yachtsman works. Mr. Brown, who stopped over at Hongkong on his way to Manila, is making a business visit to the Philippines.

The system of mass weddings which has proved so popular in other parts of China, will be shortly introduced in Peiping. Regulations governing the celebration of these weddings have been approved by the Peiping Municipality and made public. These provide that a mass wedding will take place every three months and that at each wedding the minimum number of couples shall be twenty and the maximum fifty.

Advices from Honolulu state that the Chinese in Hawaii enthusiastically celebrated the Double-Ten celebrations. Consul General and Mrs. King Chau Mui gave a reception at the Chinese Consulate-General in Honolulu to commemorate the event. Not only Chinese, but many Americans, attended the reception and joined in congratulations to the Chinese Republic on the occasion of the twenty-fifth anniversary of its founding.

The current issue of the *New Yorker* says the income of Henry Luce, the son of American missionaries (born in Tengchow, Shantung Province, China), this year amounts to U.S. $963,400. He is the leading spirit in the publications, *Time*, *Fortune*, *Life*, and other picture, magazine and information services.

Capt. Halsey Powell of the United States Navy died in Washington Dec. 24 at the age of 53. His promotion, never assumed, to the rank of Rear-Admiral was recently approved by President Roosevelt. Death was due to cordnary thrombosis. Captain Powell formerly served as Naval Attache to the American Legation in Peiping and commanded the U.S.S. *Pittsburgh* when that vessel was flagship of the U.S. Asiatic fleet.

Brigadier-General Johh Colt Beaumont, former Commandant of the United States Marines at Shanghai, has been given command of the 2nd Brigade of the fleet Marine force at San Diego, Secretary of the Navy Claude Swanson announced recently. Brigadier-General Beaumont was ranked as a colonel while stationed in Shanghai.

William E. Borah, senator from Idaho, declared Dec. 23 that the new neutrality law, which President Roosevelt is advocating, will make it applicable to civil wars as well as international wars, will place a severe embargo on the shipping of arms and ammunition or the lending of money to the participants, and will prevent the use of ships belonging to the belligerents by American travellers.

Convicted of the murder of Kosaku Kayau, a Japanese clerk, in Chi Mei Road, Chapei, two Chinese, Mao Yung-foo and Wong Cheng-sheng, were sentenced to death by the Nantao District Court Dec. 28. Four other men, Chao Yoong-fu, Chu Kwei-sung, Chen Enming, Ching Tao-chuen, accused of being concerned in the crime, were sent to prison for from 13 to two years each. Two women members of the gang were also sentenced for possession of firearms used in the crime, to one year and the other to two years. The murdered Japanese was an employee of the Mitsubishi Trading Company and was shot from behind on the night of July 10 this year. He was carrying at that time a tiny Japanese infant.

In the U.S. Court for China Dec. 27 Judge Milton J. Helmick took under advisement a case of non-payment of rent for certain flats, and a garage, in Route Vallon, the amount now being due totalling $7900.52. Gardner Crane was defendant in the suit. Mr. Crane had rented the various premises in the months of October and November, 1934, signing leases for approximately two years, in all cases his leases being up on September 30 of this year. Since February of this year he did not pay rents and since July he had not paid the French Municipal Council taxes which he owed.

Among the thousands of Christmas messages received by Ex-King Edward of England (now the Duke of Windsor) was the following from Lloyd George, war-time Premier of England:—"Best Christmas greetings from an old Minister of the Crown who holds you in as high esteem as ever and regards you with deep and loyal affection, who deplores the shabby and stupid treatment accorded you, who resents the mean and unchivalrous attacks upon you and regrets the loss sustained by the British Empire of a monarch who sympathized with the lowliest of his subjects."

Vice-Admiral Kiyoshi Hasegawa, the newly-appointed commander-in-chief of the Third Japanese Fleet, will hold his first review of the Special Naval Landing Party and marines landed from various units under his command in the port of Shanghai at 10.30 o'clock on Jan. 4. The forces participating in the display will be commanded by Rear-Admiral Denjiro Ohokohchi, commandant of the Special Naval Landing Party. Field artillery and tanks will pass in review on Kiangwan Road, while units on foot will march past in Hongkew park.

Leon Wordel, who for a number of years was connected with the American Consulate-General in Shanghai, has returned here after an absence of nearly seven years, as the representative of a number of leading American concerns, for whom he has been appointed agent and sole representative here.

Sir Henri Deterding, the Netherlands "Oil King," is giving 10,000,000 Dutch florins to buy agricultural products in Holland for Germany, according to an announcement in Berlin Dec. 29. The Nazi official organ, *Der Angriff*, describes the gift as a gigantic one of foodstuffs for the winter help campaign." Sir Henri has long been regarded as one of the leading friends of new Germany.

Dmitry Petrovitch Listzoff, 48-year-old White Russian, who had been convicted twice before of offering insults to a friendly State, chose Christmas afternoon for his third attack on the Soviet Consulate on Whangpoo Road. A Chinese constable on duty, hearing the sound of breaking glass, rushed up to the consulate and found Listzoff with a wooden hammer in his hand viciously pounding on the glass window in the door of the consulate, demolishing the signs. "My daughter and wife were killed by the Reds," said Listzoff. "I hate them!", he said when arrested.

Osaka traders hail the announced establishment of a United States Consulate in that port as a harbinger of still closer trade relations between Osaka and the American markets, reports *Domei*. The announcement was contained in a letter received by the Osaka Chamber of Commerce and Industry which took the lead in urging the American authorities to open a consulate there. With the opening of the new Consulate on April 1, the number of American consular establishments in Japan proper will total six.

The *Hsing Yueh Jih Pao*, the fifth newspaper venture of Aw Boon Haw (Hu Wen-hu,), wellknown Chinese millionaire medicine manufacturer in Singapore, will be the best equipped newspaper office in South China when its building is completed in Canton next February, according to *Central News*. Mr. Aw is now the owner of two papers abroad, the *Burma Morning Post* in Rangoon and the *Singapore Daily New* in Singapore. He also owns one in Amoy and another in Swatow and is planning to start two more in Hongkong and Hankow in the near future.

For the second time in three days, Miss Hsieh Yin-chih, a 23-years old student at Senshu University, in Japan was saved from death Dec. 24, this time by her companion in a would-be suicide-pact. Miss Hsieh and Chu Tsu-lai, a 28-year old student at Waseda University and her lover, were detained by a policeman on Dec. 21, as they were hurrying, in a driving rain, towards the "Mecca of suicides," the smoking crater of Mount Mihara. The couple rented a room at a hotel in Yokohama. While the man was eating his lunch, the girl went to a dressing room and swallowed an overdose of sleeping powder. Mr. Chu, worried by her long absence, left his meal and went to investigate. The girl was rushed to a hospital, where the doctors said she will survive. Examined by the police, the couple confessed that they were unhappy because each one of them was married to someone else in China.

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New Books of Interest in the Far East

America's Pressing Problems

Program for Modern America. By Harry W. Laidler, Ph.D. New York, Thomas Y. Crowell, 1936. x,317 pages, appendix, bibliography, index. U.S. $2.50 Gold.

In America the depression of the past seven years has accelerated, as the author of the book under review expresses it, "the struggle against a system of industry which places profit before human welfare, the struggle for a conception of industry and politics organized with the one aim of utilizing to the full the resources of the nation for the enrichment of the common life." To Dr. Laidler the solution of America's grave questions will come only through a complete reorganization of America's economic life along cooperative lines. The need for constructive social change is everywhere apparent. How are these changes to be accomplished? Dr. Laidler in his book gives a chapter to each of the subjects of child labor, unemployment and health insurance, old age pensions, collective bargaining and shorter work weeks. He shows the status of each problem in America and the relation which it bears to the well-being of the state and its citizens. The conclusion of each discussion is that no one of these problems can be solved separately; they are inter-related, each depending upon the attainment of an economic order which will permit the development and happiness of all.

Such a political organization as the author envisages, wholeheartedly devoted to the elimination of social evils, would be the socialist state. Dr. Laidler is one of the foremost students of socialism in the United States and is executive director of the League for Industrial Democracy. Russia with her Five Year Plans has challenged the nations of the world. "Social engineering" and social building are no longer mere academic terms. Conditions in the United States seem to call for the organization of a powerful labor or farmer-labor party along the lines of the British Labor Party or the Swedish Social Democratic Party, but with a more militant program. With the approach of a presidential election in the United States the programs of the two large parties will show but minor differences. Dr. Laidler appeals for support for the minority groups, in order that the foundation may be laid for a third party movement controlled by hand and brain workers, dedicated to a cooperative state.

As contrasted with the unplanned capitalist state and with the Rooseveltian New Deal which left intact private ownership of basic industries, and by that token made social planning impossible, the social planner of the socialist school of thought seeks to make the community the owner of the principal industries of the country. The credit structure, the natural resources, the public utilities and the key industries would be operated for public service, not for private gain. The minimum program which Dr. Laidler proposed to uproot the worst evils in American life includes "a well-planned long-range system of public works; a comprehensive public housing plan; a constructive program for agriculture; for social ownership and democratic administration of natural resources, public utilities and banking; for a taxation program based on the principles of ability to pay and benefits received, directed to the adequate maintenance of social services and to the better distribution of wealth; for the preservation and extension of civil liberties; for a political constitution nicely adjusted to the needs of the time; for an international policy that will insure peace and for a political alignment that will give the masses of the people an adequate share in the control of their political life." Each of these items is discussed in a separate chapter which describes the unsatisfactory conditions existing at present and the need for reform, and presents a program for the future.

The factual material in the book is so voluminous, with complete documentation, that even were one unable to accept Dr. Laidler's socialist conclusions, the reader would obtain a comprehensive survey of American industrial and political problems. This is not a book for any person who prefers to remain quiescent or satisfied. The conservative will have to answer its challenge, the liberal will find herein an added strength to his faith.

F. M. R.

Translations for Chinese Children

The Magic Kite, and others, by Mrs. Donald MacGillivray. Published of by the Christian Literature Society, Shanghai, China.

The Chinese stories in this book were first compiled for Chinese children and translated into Chinese by Leo Wen Lin. The illustrations by Chang Hui Yuan are an added attraction for the young folks. A book of this type should, as the author expressed it, prove a bond of friendship between the children of the East and the West and furnish a foundation of understanding. Many interesting tales are included in the volume, i.e. "The Magic Kite", "A Child Shall Lead Them", "The Dragon Boat Festival" and "The Precious Gift," along with several others, full of folk lore of the Occident and the Orient.

Japan's Contact with the West

Five Foreigners in Japan. By Herbert H. Gowen, D.D., F.R.A.S., Professor of Oriental Studies, University of Washington, Seattle, Washington. Fleming H. Revell Company, New York. Cloth; 282 pages. U.S.$2.00.

Some readers are familiar no doubt with Dr. Gowen's Asia—a Short History; still more must be familar with his very useful book, An Outline History of Japan. The present book under review, Five Foreigners in Japan, is addressed to a more popular body of readers than are the books just mentioned. Singling out five individuals from Western countries Dr. Gowen has used them as a convenient means of indicating, at the time of each individual concerned, the nature of the contact of Japan with the Western world. The five individuals thus made the subject of historical biographies are the Portuguese Fernando Mendez Pinto, the Spanish Saint Francis Xavier, the Englishman Will Adams, and the two Americans Ranald MacDonald of Oregon and Townsend Harris, the latter of whom was first American consul and resident envoy in Japan.

Pinto may not have been the first European to visit Japan, but he was the first to leave an account of his visit. His stories have been discredited with rather good reason yet in the main his account is acceptable and he serves therefore to represent the beginings of Japan's trade with the West. Pinto may have been one of a group who were stranded on the little island of Tanegashima, and because of the arquebuses they carried, never before seen by Japanese, the word Tanegashima in Japanese dictionaries to this day "still means a kind of gun or pistol."

Xavier's influence in Japan has been given full treatment by the historians. His was a thoroughly spiritual nature, and he undoubtedly left a deep impression in his short stay in Japan. The rapid success of the missionaries who followed him became a factor, whether from their own fault or from the force of circumstances, of political importance in a time of civil warfare, and it was this fact that led to the proscription of Christianity and the expulsion of all foreigners except the Chinese and the Dutch in 1638 under the Shogun Iyemitsu. Will Adams was an altogether different type, a Protestant Englishman, who sailed with a Dutch merchant fleet in 1598, leaving behind a wife and two children who were never to see him more, for he died in Japan in 1620 after serving many years as confident and shipbuilder to Iyeyasu, the founder of the Tokugawa shogunate. Thinking of the part played by these two men, Xavier and Adams, one's thoughts take the line which Dr. Gowen suggests: "Had the intercourse thus begun been suffered to continue unimpeded, still more would have happened such as would have altered the history of the entire Far East." This is one of the historical "ifs" it is interesting to ask, but futile nevertheless. Japan secluded herself for the next two hundred years and when she began to expand she was late upon the scene.

The chapter on Ranald MacDonald is a disappointment, as indeed Ranald MacDonald himself is, judged as a hero; and there is something of anticlimax in reading of him. Adventurousness he had, visiting Japan purely on his own initiative in the late 1840's before it was opened, but it was of a second-rate kind, and there was a peculiar self-importance about him which was perhaps his compensation for the absence of any very real achievement. One wonders just why he was chosen to make company with the other characters of this book. But the defect is amply made up by the interesting chapter on Townsend Harris with which the book closes. It was a great good-fortune, both for the United States and for Japan, and indeed for the world, that America was represented by a man so high-minded in all his public acts. By his commercial treaty of 1858 he laid the foundation of all of Japan's early treaty relations, and in doing so he gave full consideration to Japan and her future needs. Dr. Gowen rightly represents him as one who has contributed to world peace by increasing understanding between the United States and Japan.

D. R.

A Story of the "Glamorous East"

Loves of Lo Foh, by Roswell Williams, Claude Kendall, Inc., New York. U.S.$2.00.

This is a story of the glamouros East—a light frothy tale of a swashbuckling hero of the China Coast—and might well have been entitled, "The Loves of Yang Carewe." Yang Carewe is a Eurasian—the son of a Chinese mother and an English father—who engages in the proper number of exploits necessary to acquire great wealth.

The hero has been the lover of many women. Women interest him—some of them he has loved to the point of proposing matrimony—but none has ever taken such complete possession of him as Lo Foh, the night orchid of Canton's Street of Women. Raped in her extreme youth by the soldiers of Yang Foo, uncle of Yang Carewe, Lo Foh, surpassingly beautiful daughter of two Chinese peasants and beloved of a thousand men, takes up her abode at last on the Street of Women. Lo Foh, known for her heart of ice, melts before the sun of Yang Carewe, only to learn that he is the nephew of her parent's murderer, whose family she has sworn to exterminate. Lo Foh in performance of her oath attempts to kill her lover, but love is too strong. However, she

sends Yang Carewe away, lest she again be tempted to do away with him.

Yang Carewe's many adventures on the China Coast have made him enemies. Forgiving them, he decides to invite them to a house party on his estate in the Malayan jungle; they all accept. Among the guests is Lo Foh, who loves him and is yet his most bitter enemy. Events move repidly to a climax.

The book is a light and pleasant one, if fantastic, and offers an afternoon's entertainment. D. D.

September 15, 1936.

Royal Asiatic Society "Journal" Replete with Valuable Matter

Vol. LXVII (1936) of the *Journal* of the North China Branch of the Royal Asiatic Society (edited by Esson. M. Gale) contains the following articles:—The Six Horses of Tang Tai Tsung, by John C. Ferguson, Ph.D.; Tai Chi Shang Yuan—The Chinese Astrological Theory of Creation, by Herbert Chatley, D.Sc., (London); The Inscribed Bones of Shang, by H. E. Gibson; Agricultual Rites in the Religion of Old China, by Edward T. Williams, LL.D.; On the Building History of the Pao Shu Ta, Hangchow, by J. PripMoller, F. I. A.; Han Kao-Tsu and Hsiang Yu, by Homer H. Dubs, Ph.D.; Old Problem Concerning the Nestorian Monument, by Dr. P. Y. Saeki.; The Chinese Attitude to Peace and War in Pre-Confucian Times, by Margaret H. Brown, M.A.; Geophysical Prospecting for Gold, Metallic Ores and Petroleum and its Possible Application in China, by Dr. Erik T. Nystrom; China's Northwest Passage—The Struggle for the Tarim Basin in the Later Han Dynasty, by F. S. Drake, B.A., B.; Sang Hung-Yang, Economist of the Early Han, Dynasty (Translated by S. C. Chen).

"China's Progress in Advertising"

"China's Progress in Advertising" is the name of an excellent bilingual brochure published by the China Commercial Advertising Agency, Shanghai, of which C. P. Ling is the proprietor and general manager. In a foreward Mr. Ling stated that the purpose of the brochure is two-fold, namely to commemorate the tenth anniversary of the founding of the China Commercial Advertising Agency and to record an important milestone in the history of the progress of modern advertising in China. Both these objects have been adequately covered. Among the articles contained in the brochure are: Foreign Trade and Advertising, by Dr. P. W. Kuo; Newspapers as an Advertising Medium in China, by Hollington K. Tong; and the Merchants' Advertising Problem, by L. C. Diespecker.

Crusade Against "Nipponese English" Planned

The *Okayama Services* says so-called intellectual persons in Japan have been much horrified by the increasing flood of "Nipponese English" now found all over Tokyo. A sign-board of a milk hall reads "Milk Hole" and a hair-dresser advertises his shop as "Head Cutting." A first class department store on the Ginza starting a campaign to popularize low-priced ready-made foreign-style suits. The campaign slogan read: "Please Try on Maid." A respectable restaurant is stated to have had a "crook room" instead of a cloak room, and the fellow in charge of the room looked like a real crook.

Diplomatic Movements and Appointments

Major-General Chang Hung-chung has been appointed Military Attache to the Chinese Embassy at Tokyo. Major-General Hsiao Sho-hsuan, the incumbent, was recently relieved of his post.

S. Kawagoe, the Japanese Ambassador to China, called on Dr. H. H. Kung, Minister of Finance, at Nanking Dec. 29 and later came to Shanghai.

The appointment of Wei Chen-chu as Chinese Minister to Poland, succeeding Chang Chin-hai, was approved by the Executive Yuan Dec. 29.

In view of the fact that the railway communications between Tungkwan and Sian have not yet been resumed, Lieut.-Col. W. Lovart-Fraser, Military Attache to the British Embassy in Peiping who arrived in Loyang on Dec. 27 en route to the Shensi capital to visit the British nationals there, returned to Peiping Dec. 29 by train.

Oscar de Oxholm, Danish Minister to China, who proceeded to Denmark last spring on home furlough, arrived back in Shanghai this week. After a brief rest here, the Danish diplomat proceeded to Nanking to interview General Chang Chun, Minister of Foreign Affairs.

Mr. Joseph Clark Grew, wife of the U.S. Ambassador to Japan, arrived in Shanghai Dec. 29 and later flew to Peiping to join her daughter, Mrs. Cecil B. Lyon, wife of the third secretary of the American Embassy. Mrs. Burton Crane accompanied Mrs. Grew on the trip.

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Should the Chinese Government Set Up a Prepared Opium Monopoly?

The Anti-Opium Information Bureau at Geneva (A. E. Blanco, director) has issued a special document entitled, "Should the Chinese Government Set Up a Prepared Opium Monopoly?" The author mentions that if as the U.S. claims, China produces annually no less than 12,261 tons of opium, it is obvious that if China decides to buy and prepare all the opium produced in the country it will be necessary to operate a factory many times larger than that in the Netherlands Indies. After explaining how the matter of dross is an important point to be taken into consideration, the author says:

"The initial cost of purchase, installation and operation of machinery suitable to handle the quantity of opium necessary to meet the requirements of Chinese opium smokers, will undoubtedly be considerable, but the added control should increase revenue sufficiently to more than cover the outlay. It is worth recalling that no Prepared Opium Monopoly has ever suffered a loss, and that Governments which were more intent upon revenue than opium suppression have practically invariably resorted to the setting up of a plant for preparing and packing opium in metal tubes. Will the Chinese Government set up a Prepared Opium Monopoly? The idea cannot be rejected on the grounds of expenditure for not only would such a Monopoly increase control and facilitate suppression, but it would also result in increased revenue and thereby enable the Government to devote still more funds to the fight against addiction. It is to be hoped that the Chinese Government in its search for means of bettering control of opium smoking and facilitating its suppression within a given number of years, will give to the setting up of a Prepared Opium Monopoly the attention it deserves. As soon as the principle of setting up such a Monopoly has been accepted, and information is available concerning the quantities of opium the Government desires to prepare annually, the size of the tubes it intends to place on the market, and whether one or more factories are to be erected, the Government should have no difficulty in deciding upon the equipment most suited for effective operation of a Prepared Opium Monopoly in China."

Huge Parade at Nantao Gives Warning to Dopesters and Dope Traffickers

According to a recent Government ruling all dope addicts and dope traffickers will received the death penalty, starting Jan. 1. With a view to impressing this point on the Chinese populace the Chenwangmiao branch of the Bureau of Public Safety in Nantao, held an impressive parade last Sunday which made its way through all the main thoroughfares of Nantao. The parade started from Siaotungmen (Small East Gate) at 2 p.m. and passed through Chunghua road, Chenghuangmiao, An In Raod, and broke up at Hseu Yuan Road.

One of the highlights of the parade was the "make-up" section, which was taken part in by scores of policemen, beggars and civilians who impersonated dopesters, and the firing squad. The parade was a profusion of banners, pennants and scrolls which all sported large Chinese characters of an anti-drug nature in theme and meaning.

The firing squad was represented by the police officers of the Bureau of Public Safety and the different dopesters, heroin smokers and cocaine addicts were represented by hired beggars who all made substantial earnings for the day. These beggars were dressed in red, and huge Chinese characters, denoting "opium," "heroin," cocaine," etc. were sewed on their backs.

Another section representing the house owners who rent their houses to opium and drug traffickers was conspicious by the largesized flags which they carried. This section headed the parade.

All Opium Smokers to Be Shot in North China as from New Year

An order has been issued by General Sung Cheh-yuan, Chairman of the Hopei and Chahar Political Council, instructing the government staffs, including police and soldiers, to "comb Peiping city" for opium smokers on January 1, 1937. All opium smokers will be executed. According to latest investigations, there are now about 100,000 opium smokers in Peiping, but most of them have registered in the Bureau of Public Safety and are in possession of legal license to do their smoking.

General Feng Yu-hsiang Drinks Toast to General Chiang Kai-shek

Gen. Feng Yu-hsiang, Vice-chairman of the Military Affairs Commission and known as the "Christian General," broke one of his long-standing rules of not taking wine or alcoholic beverages when he received the news of the release of Gen. Chiang Kai-shek on the of Dec. 25. Gen. Feng was having dinner at his private residence with Gen. Li Lieh-chun, Gen. Ku Cheng-lun and other friends, celebrating the anniversary of the Yunnan uprising, when the good news reached his home. Forgetting his "dry principles," he poured his glass full of wine and asked his guests to dring a toast to the safe return of the Generalissimo.

Nanking Mandate Orders Three Days New Year Holiday

China will observe a three-day New Year holiday, according to a mandate issued by the National Government at Nanking, Dec. 28. A ceremony will be held at the Kuofu on New Year's day to celebrate the 26th anniversary of the founding of the Chinese Republic. Military and civil officials who were on the honors list as published by the National Government on October 10, and November 12, the Independence Day and the Birthday of Dr. Sun Yat-sen respectively, will be decorated personally by President Lin Sen on December 30.

Dr. H. H. Kung in Circular Telegram Enjoins Calm During New Year Season

In a circular telegram issued to the nation Dec. 23 Dr. H. H. Kung, instructed the Central and local authorities to observe the following stringent measures, particularly during the New Year's season:

1.—In maintaining peace and order throughout the land, the authorities should pay special attention to the publication of correct information and the suppression of rumors; while news will be circulated, the authorities should guide and enlighten the editorial policy of the newspapers in their districts.

2.—Inasmuch as their patriotic feelings are genuine, the students should nevertheless be reminded that their duty is to pursue knowledge; agitations in any form will be a waste of their valuable time.

3.—Factories and public utilities should be kept free from interference of radical elements.

4.—Commodity prices should be regulated to prevent speculation by unscrupulous elements.

5.—Rural conditions should not be neglected, so that there may be no shortage of food supplies in the winter and that the farmers may be well prepared for their new crops next spring; although bounteous crops have been reported in the south-eastern provinces, not a few areas in the north are facing the threat of famine, and therefore, the authorities should seek relief measures to meet such need.

Hanging of British Indian Bungled—Rope Breaks, Victim Lying in Hospital

A horrible spectacle, which seriously reflects on the British reputation for thoroughness in the carrying out of any task, was enacted in the Ward Road Jail in Shanghai December 29 when the hanging of Atma Singh, the granthi (pastor) of the Sikh church in Shanghai was to have taken place. The incident occurred about 7 a.m. The trap was sprung, but the Indian instead of hanging by his neck until he was dead (to use the formula always used by Judges in pronouncing sentence), fell to the floor, head first with a dull thud as the result of the rope breaking. His neck was not broken but, instead Atma is lying alive in the police hospital with concussion of the brain. One of the results of the incident was that the British Minister has reduced Atma's sentence to life imprisonment.

Horse Races Betting Popular in Japan—Yen 122,728,500 Placed in One Year

Counting the total proceeds in the last horse-race at Miyazaki, Kyushu, (the most southern island of Japan) which came to a close last week, the totalizator aggregate for this year has reached Yen 122,728,500—a record. Last year's aggregate of tickets, sold by 11 officially recognized race-clubs, was Yen 96,-851,280. However, both in the spring and autumn series of races at six big race-clubs, viz., Naruo, Yodo, Fuchu, Nakayama, Negishi and Kokura, this year, unusually enthusiastic interest was shown in the races; the autumn race at Naruo alone registered a record figure of Yen 13,410,820. It is stated that according to the newly revised horse-race regulations, only seven per cent of the total proceeds goes to the clubs, and eight per cent to the Government, while 85 per cent returns to the pockets of the ticket holders.

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1936 High	1936 Low	Div. $ per sh.	STOCKS	Last Sale Dec. 24	Last Sale Dec. 28
15⅝	9⅝	0.35	Adams Express	14⅛	14⅜
137¼	110	4.00	American Can	114⅝	113½
40⅝	29¼	0.60	Amer. Cyanamid "B"	34	33⅞
9⅝	6½	—	American & For. Power	7¼	6⅞
59½	29⅝	—	American & Foreign Pwr. $7 pfd.	55½	55
27⅝	18⅝	0.60	American Radiator	24⅜	25
189⅛	149½	9.00	American Tel. & Tel.	185⅛	184⅝
104	88⅛	5.00	American Tobacco "B"	95⅝	96
27⅝	19⅛	0.80	American Waterworks	25	24⅞
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88½	59	2.00	Atchison, T. & S. Fe	69½	69⅞
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76	45⅝	1.50	Bethlehem Steel	74⅛	74⅞
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16	10⅝	—	Canadian Pacific Railway	14	14⅜
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48	34	1.40	Chase National Bank	46⅝	46¾
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5½	2½	—	Commonwealth & Southern (ord.)	3¼	3⅝
48¼	27¼	2.00	Consolidated Edison	43⅞	43¼
15⅝	11¼	0.80	Consolidated Oil	15⅝	15⅝
43⅞	28¼	1.00	Continental Oil	43⅞	43⅝
82½	63⅝	3.00	Corn Products	67¼	67½
82¼	50⅝	—	Douglas Aircraft	68⅝	70⅜
184⅜	133	8.60	Du Pont de Nemours	174½	172½
27	15⅝	—	Electric Bond & Share	21¼	20¾
53	34½	0.90	General Electric	52¼	52¾
44	33⅝	1.80	General Foods	39½	38⅝
76⅜	53⅞	2.00	General Motors	66⅝	65⅜
54⅝	32½	1.00	General Railway Signal	52	52¼
35	13⅝	1.00	Goodrich (B.F.)	33¼	33⅝
31⅞	21⅝	—	Goodyear Tire & Rubber	27⅜	27⅝
80	57	1.00	Humble Oil	79⅝	79
66	43¼	1.60	Internation Nickel	64¼	63⅝
19¼	11⅛	—	Internati nal Tel. & Tel.	11⅝	11⅝
63	28¼	1.70	Kennecott	61½	61⅝
65	43	2.00	Loew's Inc.	63⅛	63
26⅛	21¼	1.20	Lorillard	22⅛	22
103	79	1.00	Monsanto Chemical	98⅛	98¼
68	35⅝	2.00	Montgomery Ward	55⅝	54
44⅜	32	1.00	National City Bank	38⅜	37¼
28⅛	21	1.20	National Dairy Prods.	22⅝	23
33⅜	25⅜	2.00	National Distillers	29⅛	28⅝
14⅝	9⅝	0.60	National Power & Lt.	11⅛	11⅝
49⅝	27⅝	—	New York Central	41	40⅝
35⅛	23¼	1.00	North American	30¼	29⅝
41	30⅝	2.00	Pacific Gas & Electric	36¼	36
58⅜	46⅜	3.00	Pacific Lighting	52	50⅛
13⅜	6⅝	0.45	Packard Motors	10⅝	10⅝
45	28½	1.20	Pennsylvania Railroad	39⅛	39⅛
50	38⅛	1.00	Phillips Petroleum	50⅛	50⅜
50½	39	2.40	Public Serv. of N. J.	48¼	47⅝
14½	9⅜	—	Radio Corporation of Amer.	10⅞	10⅝
60⅜	50	3.00	Reynolds Tobacco "B"	56	56⅛
55⅜	37⅜	3.00	Schenley	44	42⅞
101¼	59⅝	2.00	Sears Roebuck	87⅛	88⅝
17⅜	12⅛	0.70	Socony-Vacuum	15⅝	16
32½	25	1.50	Southern California Edison	29⅞	29¼
47⅛	23½	—	Southern Pacific	42⅞	42⅞
18	14⅜	0.80	Standard Brands	15	15
9⅞	5½	—	Standard Gas & Electric	8⅜	8⅝
70	51⅛	1.00	Standard Oil Co. of N. J.	68½	68½
78½	65	3.80	Sterling Products	71⅝	71
44⅛	33	2.00	Texas Gulf Sulphur	39⅝	39¾
18	11	0.40	Transamerica	17	17
104⅜	71⅜	2.80	Union Caride & Carbon	102⅜	101⅜
149⅜	108⅛	6.00	Union Pacific	125	124
32⅝	20⅝	0.50	United Aircraft (New)	27⅞	27⅞
21	13	0.20	United Airline Trans.	20	20
9¼	5⅜	0.20	United Corporation	6⅝	6¼
19½	14⅛	1.00	United Gas Improvement	14⅝	14⅝
59	31¼	—	U.S. Indus. Alcohol	38½	36⅝
47⅜	16⅜	—	U. S Rubber	46⅝	47⅜
79⅜	46⅜	—	U. S. Steel	75⅝	77⅛
29	18¼	—	Vanadium	28⅛	27⅛
18	9¼	—	Warner Bros. Pictures	17⅛	16⅝
153⅛	94⅛	4.80	Westinghouse Electric	145½	143¾

Call Money: 1 %

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